

Plan for Agency Performance Accountability Outcome Measurement System

Report to the Legislature

As required by Laws of Minnesota, 2014

Chapter 312, Article 3, Section 20

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Introduction

The commissioner of the Department of Employment and Economic Development (DEED) has been asked to provide the department's plan, and any request for funding, to design and implement a performance accountability outcome measurement system for programs under Minnesota Statutes, chapters 116J and 116L.

This is a one-time report to the Legislature to fulfill [Chapter 312, Article 3, Section 20](#) of the Laws of Minnesota, 2014.

Workforce Development

Performance accountability for DEED's employment and training programs identified in and funded by Minnesota Statutes 116L varies depending on the scope of program, its purpose and types of clients (adults or youth) served. Performance measures for adult workforce programs are identified under [Minnesota Statutes 116L.98, subd.3](#), with additional metrics defined by program staff as needed.

Nearly all employment and training program customers are tracked using a common data management system. Workforce One (WF1) is a web-based client management application used by 2,000 state, city, county, and non-profit employees to track employment and training services to more than 100,000 customers across Minnesota's counties and One Stop network. WF1 was created through a partnership of two Minnesota state agencies – the Department of Employment and Economic Development (DEED) and the Department of Human Services (DHS). A rewrite of WF1 was launched on September 2, 2014 with updated programming language to make it more efficient and increase usability.

To fulfill the workforce program outcome report card outlined in [Minnesota Statutes 116L.98, subd.3](#), DEED staff created a web-based tool to display program performance measures. The tool will launch by December 31, 2014 and provides a transparent window for the public to view data on who is served by workforce development programs and outcomes of such programs, including training, credentials, employment, retention and pre- and post-enrollment wages.

The current statutes require reporting on adult workforce training programs covered under the workforce development fund. This tool could be easily expanded to include performance outcomes for all programs covered under Minnesota Statutes 116L and tracked in WF1. For programs not tracked in WF1, DEED staff would need sufficient time to coordinate standard reporting with program staff and develop an expanded web presentation.

This recommendation would fully integrate Youth programs, Women's Economic Security Act (WESA) and Minnesota Job Skills Partnership (MJSP) low-income worker grants into the online Workforce Program Outcomes web tool.

Recommendation: Integrate all workforce training programs covered under Minnesota Statutes 116L into the Workforce Program Outcomes web tool starting with Fiscal Year 2016.

Cost: The SFY 2015 one-time money was sufficient for staff time to coordinate standard reporting and to develop the web-based tool. Additional program performance reporting is scalable within the current web tool at no additional administrative cost.

Economic Development

Performance accountability for DEED's economic development programs depends on the business requirements and project goals set forth and funded under Minnesota Statutes 116J. Outcomes may vary depending on the scope of program, its purpose and types of clients (businesses or communities) served. Each program tracks business inquiries, program recipients, project goals and on-going project monitoring with detailed data available to internal staff on an ongoing basis. Annual and legislative reports provide an aggregate look at performance outcomes for external audiences.

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In order to achieve increased transparency and program accountability, monthly – and cumulative Fiscal Year – summary statistics could be provided in an easy-to-use online tool. These program-level statistics may include, at minimum:

- Number of awards made
- Dollars awarded
- Dollars leveraged
- Jobs to be created
- Jobs to be retained

Additional metrics may be added as they relate specific business finance programs, small business assistance and community development programs.

To accomplish the short-term goal of a regularly updated online web tool, expanded staff capacity is needed. Currently, there is no standard data tracking systems used across DEED's economic development programs. This is largely the result of historic and inconsistent appropriations for program administration. Dedicated analyst time is required to develop comparable measures across programs and make connections to administrative data, which would allow for post-project tracking of employment and wages outcomes.

Recent changes to the Minnesota Investment Fund now allow appropriations of administrative funds to be used for technology upgrades (Laws 2014, Chapter 312, HF3172, Article 2, Sec. 6.). DEED is now poised to enhance performance outcome reporting through modifications to IDB, the database used to track many Community and Business Development programs. In the long-term, these changes could result in additional performance outcome and program accountability measures to extend beyond required program tracking, such as long-term business investment and changes in community tax bases, for instance. Performance staff will monitor the progress of these upgrades and make suggestions to enhance reporting capability, where applicable.

Recommendation: Create an Economic Development Program Accountability web tool for programs covered under Minnesota Statutes 116J during Fiscal Year 2016, with a roll out date by June 30, 2016.

Cost: A one-time addition of two (2) 14L-Principle Planner State full-time equivalents (FTEs) for FY 2016. This equates to approximately \$220,000 for SFY 2016.

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