

THE WALZ-FLANAGAN BUDGET



TO MOVE MINNESOTA FORWARD

Supplemental Budget Recommendations

Department of Employment and Economic Development



One Minnesota | mn.gov/deed



Growing Our Workforce

Labor Force Snapshot

Minnesota's labor force participation rate is at 67.7%

- Since February 2020, the labor force has shrunk by -2.8% MN, -1.4% US
- Anticipated labor force growth of 5,500 per year between 2020-2025
- MN's labor force should have grown to roughly 3,127,000
 - Instead, we're now at 3,030,000
 - A difference of -97,000 workers



Labor Force Snapshot



Research indicates over two-thirds of decrease in labor force was workers aged 55+; while other one-third was among prime working aged people (20-54)

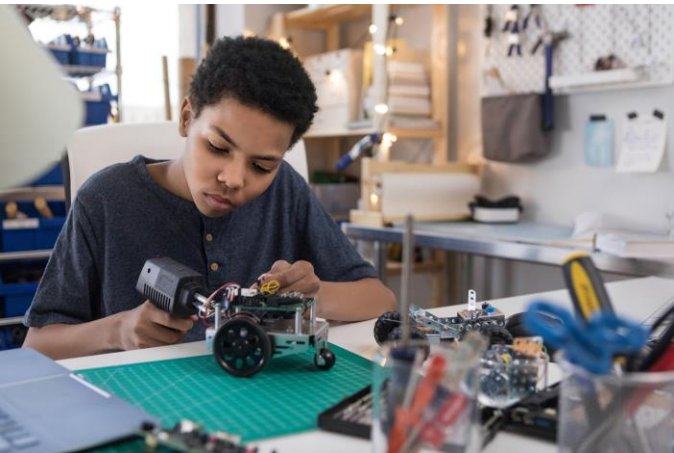


- Labor force exits of older workers driven by natural and pandemic-accelerated retirements
- Estimated that between 29,000 and 59,000 more workers retired in the last two years than expected
- Majority of workers aged 22-54 who dropped out report they plan to reenter labor force

Grow Our Workforce



- According to DEED's Occupations in Demand, tech jobs have **huge growth rates** and pay **great wages**
 - Software Developers, 21.8% growth rate, Bachelor's, Median wage **\$103k**
 - Computer Network Support Specialists, 5.1% growth rate, Postsecondary non-degree, **\$64k**
 - Web Developers, 5.8% growth rate, Postsecondary non-degree or associate's, **\$78k**
 - CNC Programmers, 22.6% growth rate, Postsecondary non-degree, **\$64k**



Grow Our Workforce



- By 2030, tech jobs will grow more than **twice as fast** as all other occupations.
 - **12.2% growth in tech jobs** in Minnesota, while all other jobs will grow 5.7%.
 - There are almost **6,000 open tech jobs** in MN today
 - We project **35,000 openings** in the next decade

...Yet our pipeline is in trouble and we need to do something, fast

Grow Our Workforce



• Tech Jobs Pipeline for Youth - \$15 Million

- Minnesota's talent pipeline for tech severely lags the nation
 - Last year, MN ranked 50th out of 50 states in students who took the AP computer science examination
- Prepare our future workforce – BIPOC students and youth – to meet the demands of Minnesota's growing tech industry
- Students will leave the program with connections to employers ready to hire into the highest-paying career tracks in the state



Grow Our Workforce



- **Technology Re-Skilling Training - \$13 Million**

- Minnesota's large and diverse tech sector is a key strength and important driver of the state's economic future
 - Our tech sector is more diverse than other states:
 - Advanced manufacturing; IT and other advanced industries
 - Financial and service industries
 - MN's corporate headquarters market, med tech industry and electronic instrument manufacturing are also leading drivers of high-tech activities



Grow Our Workforce



- **Technology Re-Skilling Training - \$13 Million**

- COVID-19 pandemic disproportionately impacted women and communities of color
- The Adult Tech Training Program for Black, Indigenous, People of Color and Women will help close the gap on racial and gender disparities while also meeting tech labor demands
 - Will prepare participants for some of the highest paying jobs in the state



Grow Our Workforce

- **Clean Tech Workforce Training Program - \$8 Million** (\$2M DEED/\$6M Commerce)



- DEED Clean Tech Transportation Career Pathways Training

- Transportation sector is the largest source of greenhouse gases in Minnesota
- Funding covers cost of outreach and recruitment, occupational skills training, and trainee supportive services
- Will train between 145 and 185 participants
 - Between July 1, 2019 - August 24, 2021, DEED reported 1,041 individuals successfully completed 2,051 trainings focused on occupations requiring enhanced skills or occupations with increased demand due to the impact of the green economy activities and technologies

Grow Our Workforce



• Clean Tech Workforce Training Program - \$2 Million

(\$2M DEED/\$6M Commerce)

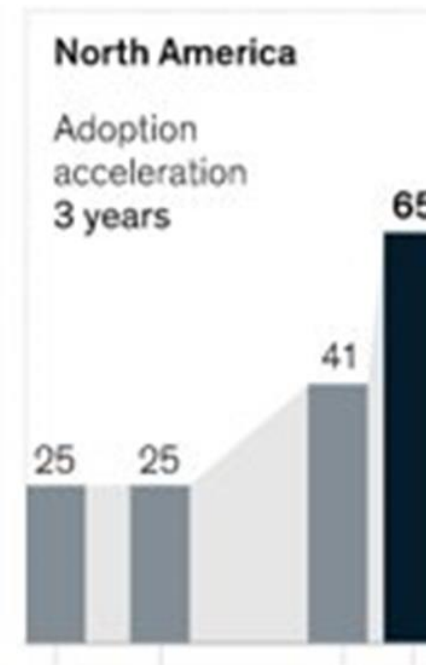
- Create a program to train, retain, and upskill workers in transportation, weatherization, and energy efficiency industries
- Support the workforce needed to perform retrofits that make homes and buildings more energy efficient by providing training funding for statewide technical colleges and Tribal-led training centers
- Projects these workers complete will help Minnesotans save money on energy costs and create safer, healthier homes and businesses



Most importantly – we need to modernize our system

- The pandemic has taught us that digital services can – for many - provide more convenient options to access training and support.
- Across all industries, digital service adoption has accelerated during the pandemic
- People expect services to meet them where they are – and that’s not going to change.

Average share of customer interactions that are digital, %



We are using an antiquated system, built for another age

Minnesota works.net

Your **NO FEE** online job bank for finding jobs and employees in Minnesota

Username: Password: **LOG IN**
Forgot Username/Password

JOB SEEKERS	EMPLOYERS
<p>134080 Position Openings</p> <p>JOB SEEKER REGISTRATION</p> <p>You're 1 step closer to finding a perfect job!</p> <p><u>Register for your NO FEE account to:</u></p> <ul style="list-style-type: none">• Create or upload an online resume• Match your resume to job openings• Perform advanced job searches• Have employers contact you directly• Receive email notification of new jobs <p>Career Seeker Services User Training Lessons</p> <p>Preview Current Job Openings</p>	<p>14118 Active Resumes</p> <p>EMPLOYER REGISTRATION</p> <p>You're 1 step closer to finding a great employee!</p> <p><u>Register for your NO FEE account to:</u></p> <ul style="list-style-type: none">• Search the state's largest online resume database• Post your job openings at NO FEE• Use job match technology to find top candidates• Save candidates' resumes to review and recruit later• Receive emails when resumes match your job criteria <p>HIRE A VETERAN - 3 Easy Steps</p> <p>Employer Services User Training Lessons</p>

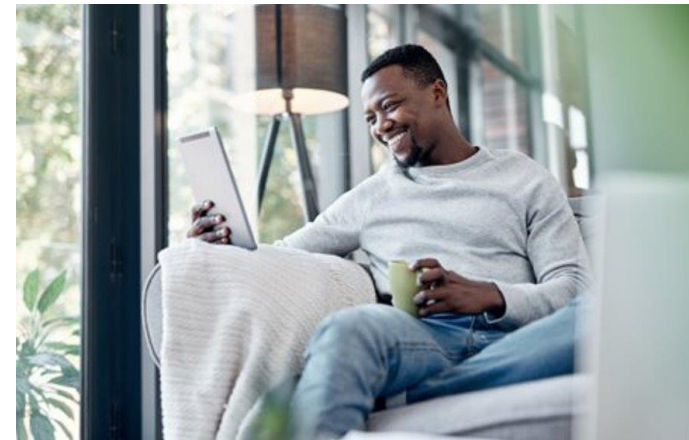
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Grow Our Workforce



- **Modernize Workforce Tools - \$15 Million**

- We must modernize our digital services to meet the needs of Minnesotans where they are.
- One-time funding will modernize DEED's workforce system to best serve jobseekers with upgraded digital tools that bring resources Minnesotans can get in-person, virtually
- Perfect use of one-time funding



Transforming Workforce Digital Services



Virtual Services



Job Matching



Reskilling



Grants Management



Systems Integration

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Paid Family Medical Leave

- When Minnesotans aren't able to take paid leave from work for medical needs, that can force people out of the workforce.
- And creating pathways for parents to take care of their newborns is critical:
 - 80% of the brain's architecture is established in the first 1,000 days of life
 - That means our littlest Minnesotans need lots of time with caregivers; reading, bonding, establishing a connection.
 - In the metro area alone, there are over 100,000 children under three who all need this support



Grow Our Workforce



- **Paid Family and Medical Leave - \$11.7 Million FY23**

(\$1.93M FY24; \$3.73M FY25)

- Minnesotans, especially those in lower-wage jobs, must make the unfair choice between a paycheck and taking time off work to care for a new baby or family member with a serious illness
- Program will support businesses, ensure more equitable economic opportunities for Minnesotans, retain women in the labor force and positively impact our children
- Minnesota can be a more attractive state to talent at a time of historic workforce challenges

Grow Our Workforce



- **Paid Family and Medical Leave - \$11.7 Million FY23**
- By the numbers:
 - Average cost of these benefits are a little over \$3 (\$3.69) per week, per person
 - 26% of all family and medical leaves do not include any wage replacement
 - 10% of Minnesota workers take a family or medical leave in any given year

It's time to market Minnesota to business & talent

#JoinUsMN



#1
Fortune 500
Companies
Per Capita

#1
Health
Technology
Cluster in the
World

#2
Best State
for Economic
Opportunity



JoinUsMN.com




States across the country spend heavily on marketing

State launches 'This Is Iowa' ad campaign

SEPTEMBER 10, 2021 BY O. KAY HENDERSON

YouTube and Facebook users have started seeing a new ad touting Iowa as a destination for tourists and for workers. The "This Is Iowa" ad that debuted this week on social media platforms will soon be running on Midwest television stations and five national cable networks.



A spokeswoman for the Iowa Economic Development Authority said \$37 million in federal pandemic recovery funds are being used for the multi-media

Beshear shares more budget plans, says he would spend to attract 'jobs of the future'

BY JOHN CHEVES
JANUARY 11, 2022 3:37 PM

The governor said his budget would include \$250 million in one-time funds for a business recruitment site identification and development program. There would be \$20 million each year for a competitive workforce initiative grant program through schools. And he would spend \$10 million a year on a talent attraction media campaign to draw more skilled workers to Kentucky, he said.

BUSINESS | ECONOMIC DEVELOPMENT | WORKFORCE

"All In North Carolina" Campaign launched to Recruit Businesses and Workforce to North Carolina

by EDPNC on June 17, 2021

The Economic Development Partnership of North Carolina (EDPNC) launched a national advertising campaign focused on increasing awareness and choice of North Carolina as a place where diverse businesses and workforce talent can thrive.

The campaign, which runs through the end of the year, relies primarily on highly targeted digital media properties to support lead generation for the EDPNC's business recruitment efforts. "All In North Carolina" will run via streaming video, digital display advertising, print, and social media.

The \$2 million campaign arose out of the recognition that marketing to bring additional jobs

Brand recognition: South Dakota parlays COVID-19 strategy into exposure for tourism, economy and Kristi Noem

Sneve, Joe. Argus Leader, Sioux Falls, S.D. [Sioux Falls, S.D.] 05 Dec 2021: A.1.

South Dakota is cashing in on Gov. Kristi Noem's once go-it-alone COVID-19 management strategy, with multiple arms of state government using the first-term governor to market the state in recent months. But the millions worth of Noem-focused marketing paid for by Mount Rushmore State taxpayers during the last two years have critics accusing the governor of using the ads to benefit her future political ambitions. In the early days of the coronavirus pandemic, Noem bucked global trends among top decision-makers who were locking down economies, ordering people into their homes and requiring masks in public. The South Dakota Department of Tourism and the Governor's Office of Economic Development quickly parlayed that hands-off strategy into more than \$8 million in national marketing campaigns.

And state officials say those investments have been paying off, with millions of eyeballs seeing the advertisements and tens of thousands choosing South Dakota as a vacation destination. Thousands more, including dozens of businesses and law enforcement personnel, have relocated here permanently, according to metrics state agencies use to determine whether marketing strategies are working.

Nebraska launches ad campaign with \$10M in CARES Act cash

By GRANT SCHULTE October 18, 2021

OMAHA, Neb. (AP) — Nebraska is launching a new, \$10 million ad campaign using federal coronavirus relief money to try to lure people from other states and fill jobs amid a severe worker shortage, Gov. Pete Ricketts announced Monday.

Ricketts unveiled a 104-second ad that will be chopped into segments and aired in major media markets within 500 miles of Nebraska, including Minneapolis, Kansas City, Denver and Chicago, as well as in Austin, Texas and Silicon Valley.

The Columbus Dispatch

'Ohio is for Leaders' campaign designed to bring in businesses

Sensing the opportunity, JobsOhio has more than doubled its marketing budget this fiscal year to \$25 million to pay for the campaign, dubbed "Ohio is for Leaders." JobsOhio says it can scale back the program if it doesn't pay off.

In Seattle, an Ohio billboard says, "Live where you can actually save for a rainy day." In Boston, a billboard near Fenway Park where the Red Sox play, reads, "0% corporate tax rate? That's the ticket."

Grow Small Businesses and Attract Talent



- **Expand Marketing Campaign to Attract Talent and Business Opportunities - \$4.53 Million**

- It's time to amplify the message that there is no better place to live, work or raise a family than Minnesota: JoinUsMN.com
- Program will aim to attract talent, investments, startups and new business opportunities for our future
- Funding will also build out DEED's Business Vitality Council
 - To assist state agencies in the planning process to address large issues facing Minnesota.



Create Opportunity for New Workers



- **Office of New Americans - \$470,000**

- Research shows that immigrants and refugees are vital to Minnesota's future economic growth
- Immigrants own over 19,000 small businesses in the state, earning \$17.5 billion in household income, generating \$411.7 million in business income, and contributing over \$4.8 billion in federal, state, and local taxes
- Data shows that almost every county in Minnesota has increased in ethnic diversity since 2010, with the number of foreign-born residents jumping 27% in the Twin Cities metro and 37% in Greater Minnesota
- Minnesota is losing \$5.1 billion annually by not utilizing immigrant and refugee talents

Create Opportunity for New Workers



- **Office of New Americans - \$470,000**

- Establish an office focused on supporting immigrant and refugee integration, reducing barriers to employment, and improving connections between employers and job seekers

- New Americans are essential to the state's employment challenges and economic growth



Create Opportunity for New Workers



- 77% of all farmworkers identify their preferred language as Spanish
- Workers in meatpacking and other agricultural processing facilities in Minnesota face challenges to receiving critical health and safety information in accessible languages
- These workers' safety, health, and wellbeing is essential not only to the workers themselves, but also to their families and communities, and to the uninterrupted operation of Minnesota's agricultural production and processing industries



Create Opportunity for New Workers



- **Establish Office of Ombudsperson for the Safety, Health, and Wellbeing of Agricultural and Food Processing Workers - \$255,000**
 - Would address some of the long-standing problems these workers traditionally face in a centralized way
 - Would work across state agencies and with stakeholders
 - Office would also address recommendations from the Governor's Committee on the Safety, Health, and Wellbeing of Agricultural and Food Processing Workers

Create Opportunity for New Workers



- **Fund the Extension of the Agricultural Worker Wellness Committee - \$252,000**

- Committee originally formed in response to COVID-19 exposing many challenges of ag workers
 - Diverse group of stakeholders represents agricultural employer organizations, unions, advocacy organizations and Minnesota State Departments



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Discussion