



EMPLOYMENT AND
ECONOMIC DEVELOPMENT

Building a Thriving Economy & Workforce

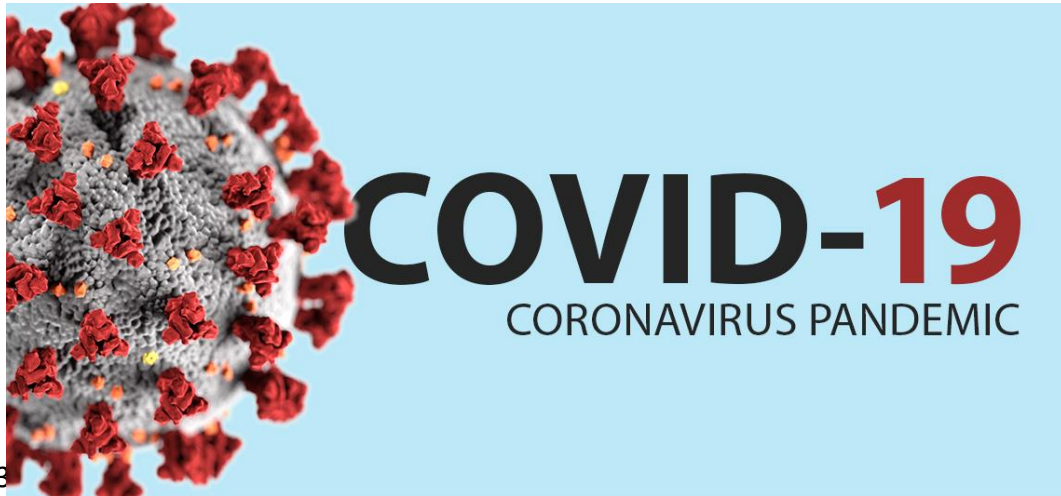
2023 DEED Budget Planning Session



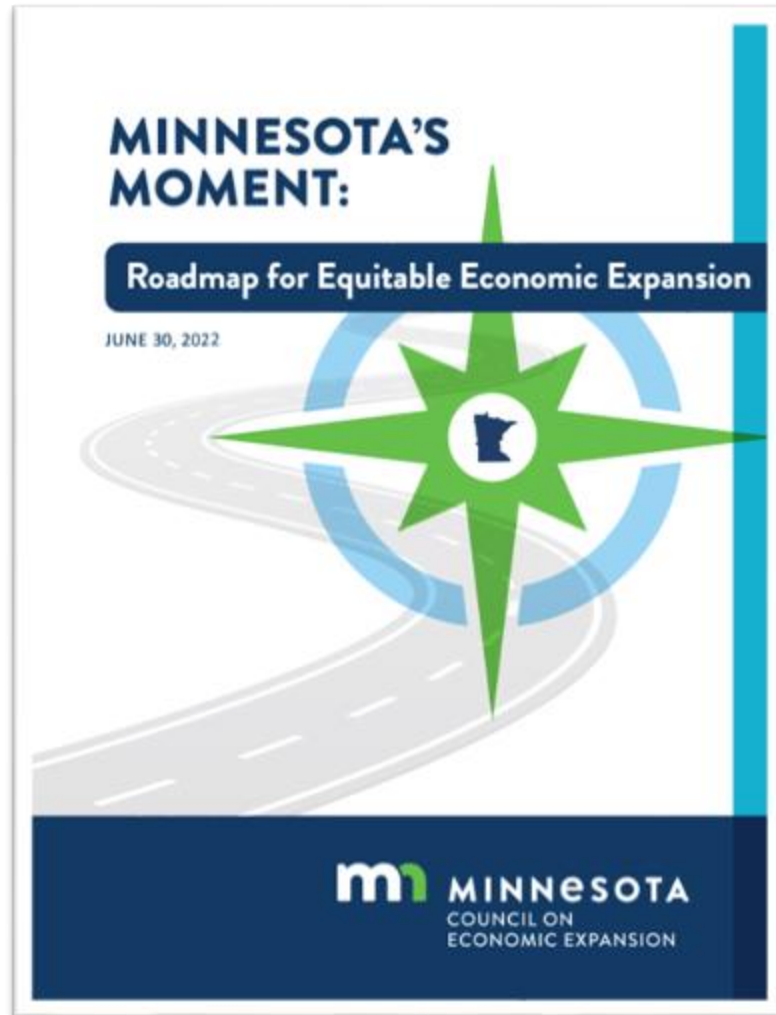
Goals for this Conversation

- Reflect on how Minnesota must meet this moment for our economy
- Share updates & insights from DEED on what we've been working on since the 2022 legislative session.
- Get feedback from partners on what the Governor & Lt. Governor should pursue in the 2023 legislative session.

A time for transformational thinking



The Governor's Council on Economic Expansion



A 15-member Council that wrote a 10-year plan for Minnesota's economic future, focused on building an equitable, resilient, expansive economy.

Minnesota's 10 Year Economic Expansion Plan



To achieve a more equitable, inclusive, sustainable, and resilient Minnesota economy, we must all commit to take action.

- 1** Commit to our people, as Minnesota's number one strength and the key to a prosperous future.
- 2** Commit to our communities, as the nexus point of growth and opportunity.
- 3** Commit to our businesses, as the engine that will write the next chapter of the global economy.
- 4** Commit to innovation, as the central dynamic needed to adapt to an ever-changing economic landscape.
- 5** Commit to infrastructure, as the foundation of all economic progress.

Moving Forward

- With a 10-year plan in place, the next question is: where do we start in 2023?
- We have big challenges – but many resources to tackle them.
- How can DEED meet our mission in 2023, to empower the growth of the Minnesota economy, for everyone?

Quick look-back: the 2022 Legislative Session

2022 Legislative Session Overview

- 2022 was a supplemental budget year with no requirement for additional spending.
- Session began with the largest surplus in state history - \$9.2 billion.
- DEED proposed several policy and supplemental budget items.
- Refilling the UI Trust Fund was a major priority for all to ensure a safety net for future Minnesotans.

DEED's Supplemental Budget Requests

- Refill the UI Trust Fund - *passed \$2.7 billion*
- Broadband - \$170 million – *passed \$210 million*
- Angel Tax Credit - \$17 million
- Launch Minnesota - \$5 million
- Minnesota Marketing - \$4.53 million
- Nonprofit Resiliency & Recovery Fund - \$50 million
- Tech Jobs Pipeline for Youth - \$15 million
- Technology Re-skilling Training - \$13 million
- Workforce Modernization - \$15 million
- Main Street Economic Revitalization - \$20 million

DEED's Supplemental Budget Requests

- Clean Tech Workforce Training - \$8 million
- Paid Family and Medical Leave - \$11.75 million (FY23)
- Office of New Americans - \$470K
- Ombuds for Agricultural and Food Processing workers - \$255K
- Agricultural Worker Wellness Committee - \$252K
- Electric Vehicle Charging Infrastructure - \$20 million
- Energy Transition Grants - \$2.5 million
- Adult-Use Cannabis - \$6.23 million
- Small Business Partnership Grants - \$5 million

The 2023 Legislative Session will be different

- **November election** – leadership in legislature/Governor's office will be determined.
- Potentially a **record** number of **new lawmakers**.
- The legislature left **\$7 billion** on the bottom line last legislative session.
- **Required** to pass a biennial budget for **FY2024-2025** to fund the state government.

What has DEED been up to?

Workforce Development

- **New Investments in Training**
 - Tech Training Initiative: Preparing people of color for high wage tech jobs.
 - Re-Entry Initiative: Providing workforce training services to individuals in preparation of returning home following incarceration.
 - Reskilling Initiative: Securing technology training tools to help reskill and upskill Minnesotans.

CareerForce Job Service Improvements

1. **Proactive outreach through phone calls** and virtual services to RESEA participants to help find jobs, using "Good Jobs Now" model.
2. **Appointment-based** scheduling for in-person meetings at CareerForce Centers.
3. **Office Hours** in all 16 local workforce development areas for the public to connect with Job Service for Employment Services programming.
4. **Go to where the people are** – proactive community engagements. For example: 57 CareerForce Corners in libraries and partnership with 161 community-based organizations across the state.
5. **Build strong self-service digital tools** to help our customers.

Digital Services – where we're headed

- **Replacing Minnesotaworks.net** with a modern, accessible, mobile-friendly labor exchange and account management platform.
- **Reviewing customer-facing content** to make sure information is updated, accurate, and easy to find.
- **Launching Workforce One Connect app** to help participants communicate with case workers, submit documents, and get information about local resources.
- **Revamping our Unemployment Insurance platform** to make it more accessible and mobile-friendly.
- **Exploring new tools and platforms** to provide better direct services.

A "how might we..." mindset

- ... spark small business growth, particularly in communities of color?
- ... remove barriers that are holding Minnesota workers or businesses back from hiring and growing careers?
- ...attract industries of the future to build their businesses and expansions here?
- ...provide the essential infrastructure – housing, childcare, broadband – to provide for economic growth?
- ... attract & retain great talent to our state?

Governor's Workforce Development Board

Governor's Workforce Development Board Questions

- How can the state invest in un-tapped or under-utilized populations to address worker shortages? Where are you seeing opportunity?
 - Are there areas where we should increase investments?
 - Are there promising programs that Minnesota should look at scaling up?
 - Are there ways that Minnesota could support more innovative public-private partnerships?
 - How can the state's workforce system better support employers looking to recruit, support, and retain workers from communities that they have not historically engaged with/hired from?
- As you think about "the future of work" - including the ways that industry and education/training are evolving - are there areas where the state could make investments to ensure that workers are equipped with the skills needed by industry?

Ongoing Commitments

- This conversation is part of the agency's process to develop the Governor's recommendations for the legislature.
- The ideas you shared today help inform those recommendations.
- However, this is not the end – we commit to ongoing engagement through the development process and the legislative session.

Thank you!