

**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 prosperity of Minnesota individuals, businesses, and communities by supporting 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.

**At a Glance**

**Business & Community Development – FY 2010**

- Assisted with the creation and retention of an estimated 14,500 jobs.
- Leveraged private investments of \$1.44 billion.
- Provided direct assistance and information to more than 51,000 businesses.

**Unemployment Insurance – CY 2009**

- \$1.7 billion in regular unemployment benefits paid to 363,000 applicants.
- An additional \$1.1 billion in benefits paid through other special federal and state benefit programs.
- Collected nearly \$900 million in taxes from 130,000 employers.

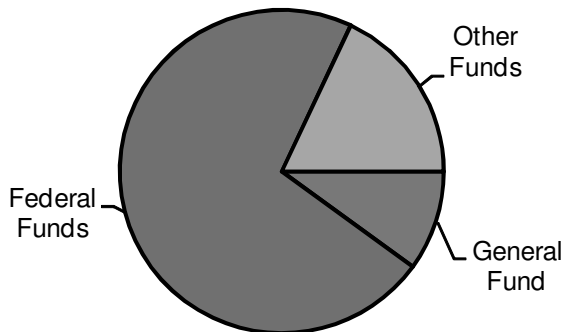
**Workforce Development – FY 2010**

- 135,424 job seekers used Minnesota WorkForce Centers to look for work.
- 51,762 job seekers created resumes on MinnesotaWorks and 7,709 employers posted 316,662 job openings.
- 97,258 individuals were served in eligibility based programs.

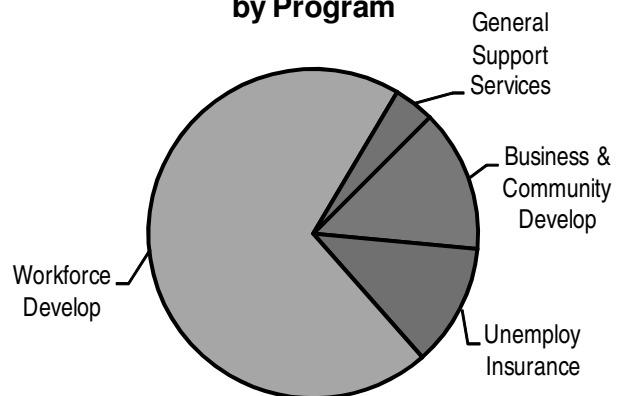
**General Support Services – FY 2010**

- Supported over 1,800 employees
- Administered over \$3.5 billion expenditures
- Launched a new website with 3.4 million page views

**Est. FY 2010-11 Expenditures by Fund**



**Est. FY 2010-11 Expenditures by Program**



Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/20/10. Excludes unemployment insurance benefit payments.

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**Strategies**

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;

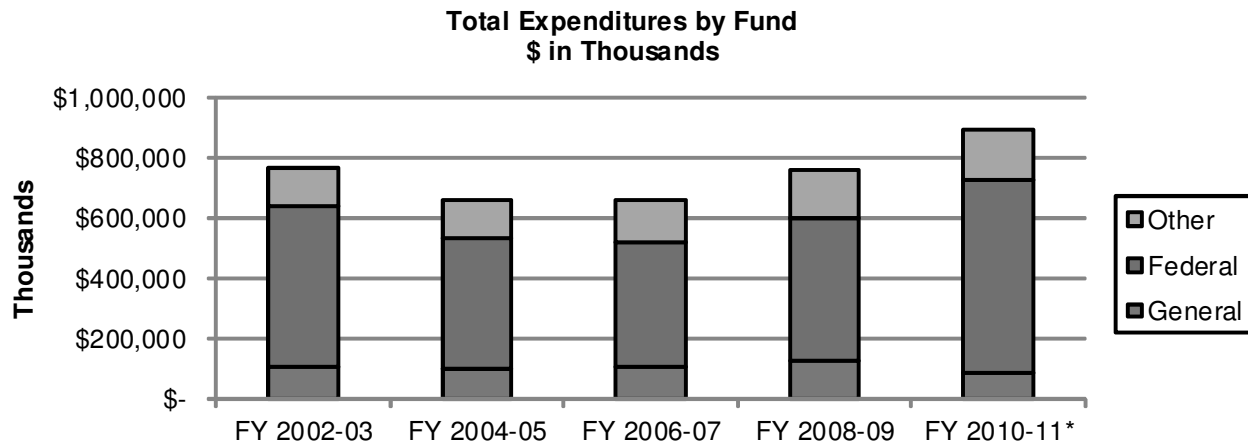
- to stabilize and stimulate the economy in times of downturn through the benefit payments administered by the Unemployment Insurance division; and
- to provide reemployment assistance to workers and support the skill acquisition of workers who need re-tooling and to provide employers with job recruitment and retention strategies.

**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. Minnesota businesses can tap into the division's financial and technical assistance programs to help spur business growth through newer tools including Angel Tax Credits and established programs including Job Opportunity Building Zones. For community revitalization, 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, DEED staff computes benefit entitlements for applicants, pays benefits as appropriate, and provides impartial due process hearings for applicants and employers.
- **Workforce Development** programs serve new workers in preparing for their first job; assist incumbent workers increase their skill levels to meet changing business demands; and strive to recapture knowledge and skills of mature workers to contribute their talents to existing businesses. DEED offers its services in collaboration with many community and regional partners through the WorkForce Center System. The partnerships are diverse as they respond to the unique needs of regional economies. The Workforce Development division promotes unprecedented collaboration among education, business, labor, and workforce development professionals to ensure Minnesota's future prosperity.

**Budget Trends Section**



\* FY 2010-11 is estimated, not actual and includes \$74 million of American Recovery & Reinvestment Act funds  
Dollars in thousands

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Exclude unemployment insurance benefit payments.

**External Factors Impacting DEED**

DEED has begun to see employment growth as Minnesota recovers from the recent recession. At the same time, Minnesota's workforce is aging and its growth will slow over the next 20 years. Employment growth is projected to slow to 9% between 2009 and 2019.

In the meantime, the state is continuing to shift towards a skills-based economy. National projections indicate that 70% of jobs in Minnesota will require a post-secondary degree by 2018, up from the current 40%. DEED and its partners are focused on helping match the demands of the state's employers and the skills of the workforce. Bridging this skills gap is essential to helping Minnesota-based businesses grow and individuals find jobs.

All states are positioning for business growth, and DEED and its partners ensure that Minnesota is competitive in this effort. DEED's business development strategy emphasizes help for Minnesota-based businesses so they will continue to grow in the state, assistance for entrepreneurs and new businesses, and also help for site selectors and businesses considering Minnesota as a potential location. DEED continues to work with Minnesota communities to ensure they have the proper infrastructure to support business growth.

**Contact**

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