



Department of Employment and Economic Development Grants Management

2025 Evaluation Report

Program Evaluation Division
Office of the Legislative Auditor
State of Minnesota

Program Evaluation Division

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March 2025

Members of the Legislative Audit Commission:

The Department of Employment and Economic Development (DEED) manages dozens of grant programs, including broadband development and workforce grant programs.

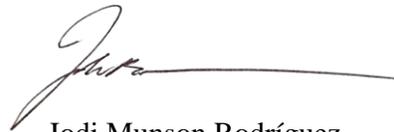
Broadband grantees largely met the goals we reviewed. In contrast, the workforce grant programs lack goals, and the performance metrics DEED is statutorily required to report are unhelpful for measuring program success. Additionally, we found that DEED did not comply with certain grants management policies, including the requirement to withhold grant payments for grantees with past-due progress reports. We offer recommendations to DEED and the Legislature to strengthen DEED's management of grant programs.

Our evaluation was conducted by Mariyam Naadha (project manager), Gretchen Becker, Eleanor Berry, and Hannah Geressu. DEED staff cooperated fully with our evaluation, and we thank them for their assistance.

Sincerely,



Judy Randall
Legislative Auditor



Jodi Munson Rodríguez
Deputy Legislative Auditor
Program Evaluation Division



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Department of Employment and Economic Development Grants Management

Broadband grants largely met goals we reviewed, but a lack of clear goals for certain workforce programs made it difficult to determine whether those programs were successful. Additionally, DEED did not comply with some state grant oversight and reporting requirements.

Report Summary

Program Outcomes

Statutes require DEED to report on certain performance metrics for the workforce grants we reviewed and to analyze the impact of certain workforce programs. Statutes also direct DEED to award broadband grants to support the development of broadband infrastructure in areas currently lacking adequate broadband service.

- DEED reports performance metrics for its workforce programs. However, without performance goals, the metrics that state law requires DEED to report for its workforce programs are not useful for measuring program success. (p. 18)

Recommendation ► The Legislature should direct DEED to build on the required performance metrics to establish meaningful and measurable performance goals for the workforce grant programs we reviewed. (p. 18)

Recommendation ► DEED should use program data to establish measurable performance goals for these programs. (p. 18)

- DEED has not complied with the statutory requirement to analyze the impact of its workforce programs. (pp. 19-20)

Recommendation ► DEED should complete the workforce program net impact analysis report as required by law. (p. 20)

- All broadband grantees in our review built broadband infrastructure that met certain goals, such as state speed goals and number of locations outlined in the grant contracts. (pp. 26-27)

Background

DEED manages numerous grant programs focused on workforce and community development. In Fiscal Year 2024, DEED spent about \$354 million on state-funded grants. DEED's grantees include local units of government, nonprofit organizations, and private businesses.

Our evaluation focused on DEED's management of state-funded grants for (1) adult workforce programs and (2) broadband development. The workforce grants we reviewed fund a wide range of employment and training services for adults. DEED's broadband grants fund the expansion of broadband service in certain areas of the state.

In its management of state-funded grants, DEED must follow the Department of Administration's Office of Grants Management (OGM) policies and any applicable requirements in state law.

Grant Oversight

DEED is responsible for supporting its grantees and for ensuring that they provide grant services as intended. OGM policies require DEED to monitor the work of its grantees and to evaluate grantee performance.

- We surveyed grantees who received a recent adult workforce grant or broadband grant. Grantees that responded to our survey expressed favorable opinions about DEED’s support. (pp. 31-32)

For the grants we reviewed:

- DEED collected about one-half of grantee progress reports according to the schedule specified in its grant contracts. (pp. 33-34)
- DEED paid at least \$5 million to grantees with past-due progress reports, in violation of OGM policies. (pp. 34-35)
- DEED monitored most of its adult workforce grants in our review. (pp. 35-36)
- DEED did not monitor any of its broadband grants over \$250,000 within the first year of the grant, in violation of OGM policy. (pp. 36-37)
- DEED did not complete grant closeout evaluations for many of the grants in our review; those it did complete lacked required information. (pp. 37-38)
- DEED’s policies and procedures lack key details to support compliance with OGM requirements. (pp. 38-39)

Recommendation ► DEED should update its: (1) agencywide policies and procedures to incorporate each of OGM’s requirements, and (2) division-specific procedures to describe how program staff must oversee grants to ensure compliance with OGM requirements. (pp. 39-40)

Recommendation ► DEED should ensure its program staff comply with all OGM requirements. (p. 40)

Summary of Agency Response

In a letter dated March 17, 2025, DEED Commissioner Matt Varilek wrote that DEED “appreciated the recommendations included in this report for improving DEED’s grant oversight and program reporting requirements.” He stated that “DEED is committed to collaborating on statutory changes” to “include more specific and measurable performance goals for workforce grants.” Commissioner Varilek also noted that DEED agrees with OLA’s findings and recommendations related to DEED’s grants oversight. He said, however, that “DEED was confronted with unprecedented challenges in administering grant programs” during the COVID-19 pandemic, including “significant increases in work volume.” The commissioner said that, since the timeframe reflected in the report, DEED has increased staff to perform monitoring duties and implemented a process to withhold payments for grantees with past due progress reports. He indicated that DEED is currently reviewing and updating all grants policies to ensure compliance with legal requirements and best practices.

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Introduction

The Department of Employment and Economic Development (DEED) manages many grant programs that aim to enhance employment opportunities and improve economic development in Minnesota. DEED awards grants to a wide range of entities, such as local units of government, private businesses, and nonprofit organizations.

In recent years, legislators and stakeholders have expressed concerns about various aspects of grants management by state agencies. In April 2024, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate state-funded grants managed by DEED, including broadband development grants. Based on this direction, we focused our evaluation on the following questions:

- **To what extent have select DEED grants achieved their goals?**
- **How well has DEED managed state-funded grants?**

For this evaluation, we focused on state-funded grants managed by two divisions within DEED: the Office of Adult Career Pathways (ACP) and the Office of Broadband Development (OBD). We included select competitively awarded and legislatively named grants managed by ACP, and Border-to-Border Broadband Development grants managed by OBD.

To conduct this evaluation, we reviewed relevant requirements in state law, Minnesota's grants management policies, and DEED's internal grants management policies and procedures. We analyzed data on DEED's grant awards and expenditures. In addition, for the grant programs included in our evaluation, we reviewed a sample of grant files and analyzed grants performance data. We also conducted a site visit to observe the validation of broadband infrastructure built with grant funds. Finally, we surveyed (1) program participants who enrolled in certain ACP training programs and (2) DEED grant recipients for select programs to learn about their experiences.

Our evaluation focused on DEED's management activities after it awarded grants. As such, we did not evaluate DEED's procedures for selecting grantees. We reviewed documents submitted by DEED's grantees, but we did not evaluate the extent to which grantees fulfilled their contracted duties. For broadband development grants, we report outcomes validated by a third-party vendor for nearly all grants in our review; we did not independently evaluate the vendor's validation procedures.



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Chapter 1: Background

Each year, the Legislature tasks the Department of Employment and Economic Development (DEED) with distributing hundreds of millions of dollars in grant funding to local units of government, nonprofit organizations, and other entities. These grants support employment training programs, infrastructure development, and other activities intended to increase economic development and employment opportunities for Minnesotans.

In this chapter, we provide an overview of state grants management requirements and grants managed by DEED. We also provide information on state funding for grant programs managed by DEED, and grants management responsibilities at DEED.

Grants Management

In Minnesota, the Legislature appropriates money for state-funded grants to state agencies.¹ In general, state agencies identify grant recipients (“grantees”) and award available funds to organizations or individuals who, in turn, seek to meet the purpose of the grant. After grants are awarded, the agency is expected to monitor performance of the grantees to ensure services are being provided as intended in the grant contract agreement (“grant contract”).

An organization may receive a state-funded grant in several ways. First, a state agency may award grants through a **competitive process**. For these grants, state agencies define the general scope of work and establish eligibility requirements for the grant. Organizations apply for these grants, and the state agency selects grantees. Second, the Legislature may specifically name in law organizations to receive grant funding. In these instances, the Legislature directs state agencies to provide designated funds to the organizations named in law (we refer to these types of grants as **legislatively named grants**). A third process involves a state agency determining that an organization is the only entity eligible for the grant, and awarding a single/sole source grant to that organization. Organizations do not need to compete for legislatively named grant awards or single/sole source grant awards.²



Three processes for state-funded grant award selection:

1. Competitive process
2. Named by Legislature
3. Identified as single/sole source for a service

¹ Throughout this report, we use “state agencies” or “agencies” to refer to executive branch agencies, authorities, boards, commissions, councils, and task forces with state grantmaking responsibilities.

² Organizations may also receive a formula grant. This type of grant involves an organization receiving an allocation of money in accordance with a distribution formula prescribed by law or administrative regulation, or noncompetitive awards based on a predetermined formula.

State Grants Management Policies

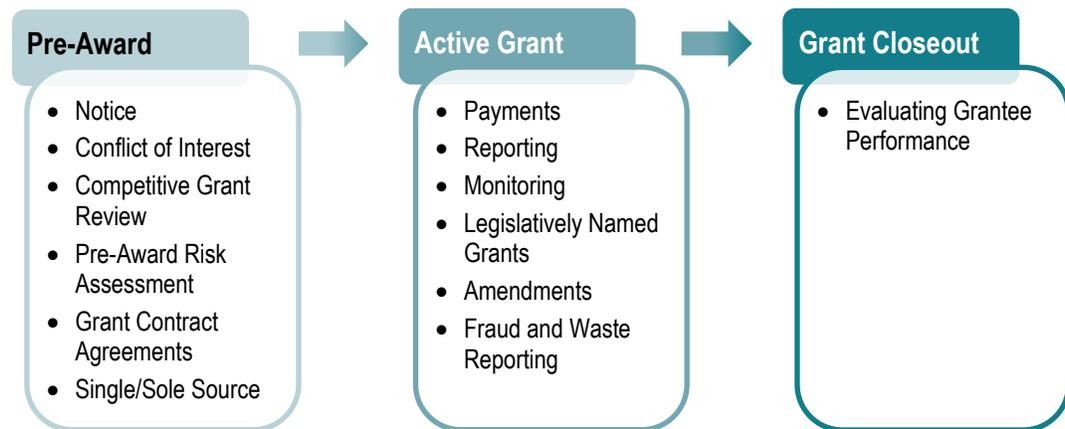
In 2007, the Legislature directed the Department of Administration (Admin) to establish the Office of Grants Management (OGM) to develop the state's grants management policies.³

Since then, OGM has established 13 policies that state agencies are required to follow when managing state-funded grants. Most of the policies outline procedures for grants management, and specify definitions, minimum requirements, and the scope of coverage. Some policies also provide recommended activities that state agencies may choose to incorporate in their grants management activities.

While OGM policies establish broad requirements, they often provide state agency staff with flexibility in how to implement them. For example, OGM policy requires that grantees submit written progress reports to state agencies at least annually.⁴ OGM policy does not specify the content or format of those reports, but rather allows state agency staff to determine those requirements. In addition, statutes allow OGM to approve an exception to a policy for a particular grant program.⁵ An exception excludes a state agency from having to meet specific policy requirements for a grant program.

The grants management process includes three stages: (1) pre-award, (2) active grant, and (3) closeout. OGM policies cover all three stages and describe various activities that state agencies and grantees must complete in each stage, as shown in the diagram below.⁶

Office of Grants Management Policies by Grant Lifecycle Stage



Source: Office of the Legislative Auditor, review of OGM policies.

³ *Laws of Minnesota* 2007, chapter 148, art. 1, sec. 12, subd. 4(a), codified as *Minnesota Statutes* 2024, 16B.97, subd. 4(a)(1).

⁴ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008, 1.

⁵ *Minnesota Statutes* 2024, 16B.97, subd. 4(a)(1).

⁶ Appendix A summarizes OGM's policies for each stage.

Pre-Award. The grant lifecycle begins in the pre-award stage, which includes all of a state agency’s activities leading up to signing a grant contract with a grantee.⁷ OGM’s six policies in this stage are intended to ensure that state agencies conduct fair, equitable, inclusive, and consistent pre-award grant processes.

Active Grant. The active grant stage is the period during which a grantee conducts the activities outlined in the grant contract. Six OGM policies guide this stage, requiring state agencies to monitor grant programs and outcomes to ensure that grantees achieve grant goals and spend funds appropriately. For example, OGM policy requires grantees to submit regular progress reports for review by the agency.⁸ Another policy requires state agencies to conduct monitoring visits for certain grants.⁹

Grant Closeout. The final stage of the grant lifecycle, grant closeout, occurs after a grantee has completed the activities included in the grant contract agreement. OGM’s sole policy regarding this stage requires state agencies to compile information on grantee performance, including outcomes, reporting, and monitoring and financial reconciliation results, that an agency may use to inform future grant award decisions.¹⁰

For this evaluation, we focused on the **active** and **closeout** stages of select grant programs managed by DEED. In the sections below, we provide a brief overview of DEED’s grants, including grants management activities during these two stages.

Department of Employment and Economic Development Grants

State law assigns DEED responsibility for managing grants related to “planning, community affairs, community development purposes, [and] employment and training services.”¹¹

As noted earlier, DEED manages state-funded grants intended to achieve a variety of goals. DEED spent the most—\$233 million—on business and community development grants in Fiscal Year 2024.¹² These grant programs include the Contamination Cleanup and Investigations grants, Main Street Economic Revitalization Program, and Minnesota Job Creations Fund. The department also spent a significant amount on grants for workforce development and vocational rehabilitation services, as shown in Exhibit 1.1.

In Fiscal Year 2024,
DEED spent
\$354 million
on state-funded
grants.

⁷ Activities in the pre-award stage may vary depending on the type of grant, as we describe in Appendix A of this report.

⁸ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008, 1-2.

⁹ *Ibid.*, Operating Policy and Procedure 08-10, *Policy on Grant Monitoring*, revised December 2, 2016, 1.

¹⁰ *Ibid.*, Operating Policy and Procedure 08-13, *Evaluating Grantee Performance*, effective April 1, 2024, 1-2.

¹¹ *Minnesota Statutes* 2024, 116J.401, subd. 2(a)(4).

¹² We reviewed data from SWIFT, the state’s financial, procurement, and reporting system, for fiscal years 2023 and 2024.

Exhibit 1.1
DEED's State-Funded Grants Expenditures by Program Area, Fiscal Year 2024

Program Area	Grant Expenditures
Business and Community Development	\$233,071,834
Workforce Development Services	81,596,258
Vocational Rehabilitation Services	27,740,336
Office of Broadband Development	10,571,739
CareerForce Systems	1,140,044
Minnesota Trade Office	132,027
Total	\$354,252,238

Notes: This table shows DEED's expenditures for broad program areas during Fiscal Year 2024. This table excludes expenditures such as operating adjustment costs that are also included in state-funded grants data.

Source: Office of the Legislative Auditor, analysis of DEED grants expenditure data.

We focused our evaluation on: (1) state-funded grants for adult employment and training services, a subset of **Workforce Development Services** managed by DEED's Office of Adult Career Pathways (ACP), and (2) state-funded grants managed by DEED's **Office of Broadband Development** (OBD).

Office of Adult Career Pathways (ACP)

ACP grant programs support capital improvement projects to increase and/or expand economic development, employment and training services targeted toward specific communities, and other services. For example, ACP's Pathways to Prosperity grant program aims to provide employment training for Minnesota adults who may experience barriers to employment.

To evaluate the active and closeout stages of the grant programs in our review, we focused on grants awarded for fiscal years 2022 to 2023, the most recently *completed* grant award period.¹³ During this period, ACP awarded approximately \$31 million in state-funded competitive grants and \$19 million in legislatively named grants. Exhibit 1.2 provides information about ACP's grant programs that awarded the greatest amounts of state grant funding in fiscal years 2022 to 2023.

¹³ ACP grant programs in our review are awarded for two fiscal years, in accordance with biennium appropriations of the Legislature.

Exhibit 1.2
Adult Career Pathways State-Funded Grant Programs, Fiscal Years 2022-2023

Grant Program	Amount of Grant Funding Awarded	Number of Grantees
Legislatively Named Grants	\$19,215,300	18
Pathways to Prosperity	13,585,000	32
Targeted Community Capital Project	7,835,264	9
African Immigrant Economic Relief	1,900,000	8
Internationally Trained Professionals	1,900,000	7
Southeast Asian Economic Relief	1,841,717	6
Jobs Bill – Support Services	1,560,000	28
Women’s Economic Security Act	1,425,000	8
Minnesota Tech Training Pilot Program	715,468	3
Getting to Work	475,000	6

Notes: This exhibit includes only competitive and legislatively named grant programs managed by ACP. “Legislatively Named Grants” refers to the set of grants named in law that are managed by ACP.

Source: Office of the Legislative Auditor, analysis of ACP grants award data.

Office of Broadband Development (OBD)

The 2013 Legislature established the Office of Broadband Development (OBD) within DEED “to encourage, foster, develop, and improve broadband within the state.”¹⁴

Statutes require OBD to perform certain duties, including (1) serving as a central statewide broadband planning body; (2) coordinating with state, regional, local, and private entities to develop a statewide broadband policy; and, (3) developing, recommending, and implementing a statewide plan to encourage cost-effective broadband access, particularly in rural and other areas in Minnesota that lack adequate broadband access.¹⁵

Statutes direct DEED to manage grants to support the expansion of **broadband service** in **underserved** and **unserved** areas of Minnesota.¹⁶ DEED may award broadband grants to internet service providers and other eligible entities to build the necessary infrastructure in accordance with requirements in law.¹⁷ Within DEED, OBD oversees these grant programs.



Broadband service refers to any service providing advanced telecommunications capability and Internet access with transmission speeds that, at a minimum, meet the Federal Communications Commission definition for broadband.

Underserved refers to areas in which households and businesses lack access to wire-line broadband services at speeds of at least 100 megabits per second download and at least 20 megabits per second upload.

Unserved refers to areas in which households or businesses lack access to wire-line broadband service as defined by the Federal Communications Commission.

— *Minnesota Statutes 2024*,
 116J.39, subd 1(b); and 116J.394(h)-(i)

¹⁴ *Laws of Minnesota 2013*, chapter 85, art. 3, sec. 13, codified as *Minnesota Statutes 2024*, 116J.39, subd. 2.

¹⁵ *Minnesota Statutes 2024*, 116J.39, subd. 4(a)(1)-(3).

¹⁶ *Minnesota Statutes 2024*, 116J.395, subd. 1; 116J.3951, subd. 1; and 116J.3952, subd. 1.

¹⁷ *Minnesota Statutes 2024*, 116J.395, subd. 3; 116J.3951, subd. 1; and 116J.3952, subd. 2.

DEED awarded about \$149 million in state funding for broadband grants between fiscal years 2020 and 2024. Exhibit 1.3 summarizes the three main state-funded broadband grant programs managed by DEED.¹⁸

Exhibit 1.3

The Office of Broadband Development oversees three main state-funded broadband grant programs.

Grant Program	Description
Border-to-Border Broadband Development	Grants to eligible applicants for the expansion of broadband service in underserved or unserved areas of Minnesota. Grant funds may be used for 50 percent of eligible expenditures and are limited to \$10 million per award.
Lower Population Density	Grants to eligible applicants for the expansion of broadband service in underserved or unserved areas of Minnesota, where a 50 percent match is not adequate to build the necessary infrastructure. Grant funds may be used for up to 75 percent of eligible expenditures and are limited to \$10 million per award.
Broadband Line Extension	Grants to eligible applicants to fund the extension of existing service to unserved locations. Grant program funds up to \$25,000 per line extension.

Source: Office of the Legislative Auditor, review of Minnesota statutes.

Grants Management at DEED

DEED divides its grants management responsibilities between its Administrative and Financial Services Division (AFS) and other divisions that manage specific grant programs (program divisions).¹⁹ AFS staff are responsible for creating agencywide grants management policies, reviewing grant contracts for compliance, setting aside grant funds, and making payments to grantees.

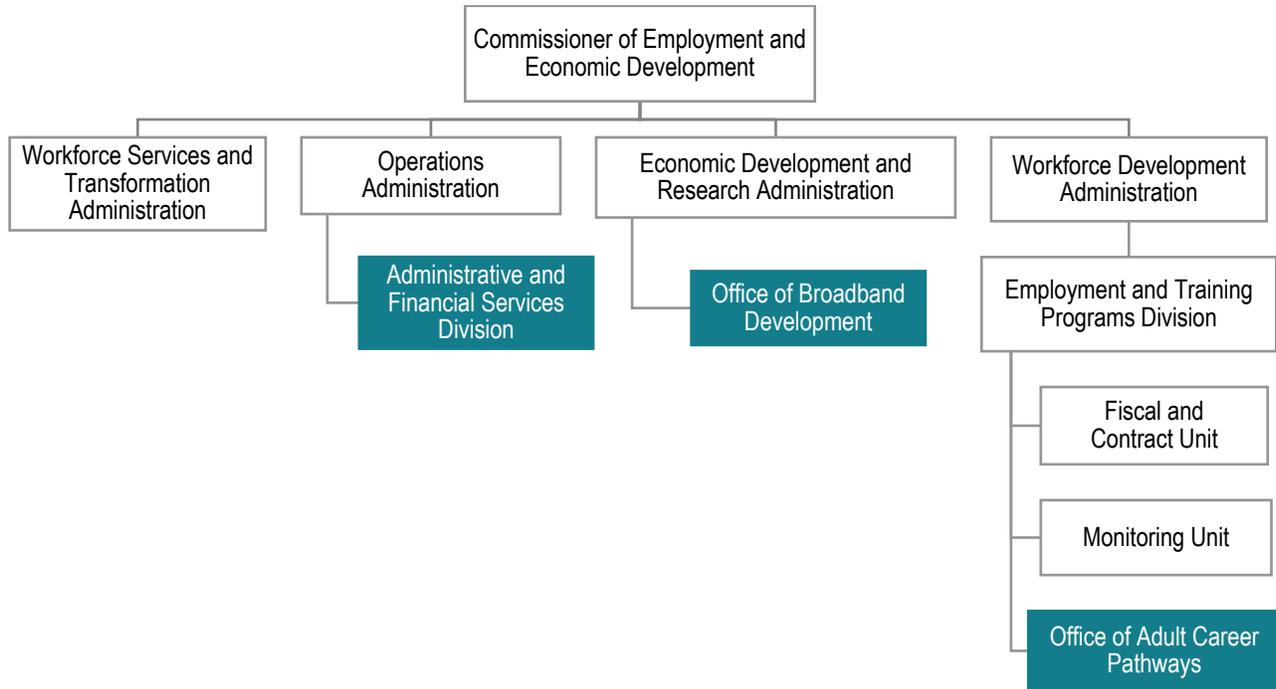
Staff in program divisions are responsible for most other aspects of grants management, including soliciting proposals, coordinating award decisions for competitive grants, and establishing a schedule for progress reports. Exhibit 1.4 shows a simplified organizational chart of DEED, including the divisions we discuss in this report, and Exhibit 1.5 describes key grants management responsibilities of DEED's divisions.

¹⁸ In addition, the Legislature has also directed DEED to use certain federal funds for its broadband grants. *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 1, sec. 7; and *Laws of Minnesota 2022*, chapter 95, art. 4, sec. 7. At the time of publication, DEED was preparing to receive about \$650 million for future broadband grants from the federal Broadband, Equity, Access, and Deployment Program funded by the Infrastructure Investment and Jobs Act of 2021.

¹⁹ For simplicity, we refer to DEED's offices that we included in this evaluation as "program divisions" throughout the rest of the report.

Exhibit 1.4

DEED’s Organizational Structure for Select Divisions and Offices



Note: This is a simplified organizational chart showing the divisions within DEED that we discuss in this report, which are highlighted in teal.

Source: Office of the Legislative Auditor.

Exhibit 1.5

DEED’s divisions are responsible for different aspects of grants management.

Grants Management Activities	Program Divisions	Administrative and Financial Services Division
Contracts	Solicit and review proposals, and coordinating with the Commissioner to select grantees with which to contract	Review contracts for compliance, and maintain records related to grant contracts
Funds and Payments	Review payment requests	Set aside funds, and make payments to grantees
Monitoring Grant Progress	Establish schedule for progress reports, develop program-specific progress report content requirements, and conduct monitoring visits	Develop procedures and templates, and notify grantees in instances of noncompliance
Grant Closeout	Conduct closeout evaluation	Develop procedures and templates
Training and Technical Assistance	Train and provide technical assistance to grantees	Train and provide technical assistance to DEED’s grants management staff

Note: The program divisions specified in this table include ACP and OBD.

Source: Office of the Legislative Auditor.



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Chapter 2: Grant Program Purposes and Outcomes

In Chapter 1, we explained that our evaluation focused on state-funded grant programs managed by the Office of Adult Career Pathways (ACP) and the Office of Broadband Development (OBD), program divisions of the Department of Employment and Economic Development (DEED). In this chapter, we discuss the purposes and outcomes of select grant programs managed by those two program divisions.

Key Findings in This Chapter

- A lack of clear goals makes it difficult to determine whether Pathways to Prosperity or ACP legislatively named grants have been successful.
- All broadband grantees in our review built broadband infrastructure that met goals outlined in the grant contracts.

Adult Career Pathways Grants

As we described in Chapter 1, ACP grant programs support a variety of activities, including employment and training services for Minnesota adults. We focused our evaluation on two types of grant programs managed by ACP: (1) the competitively awarded Pathways to Prosperity grants and (2) legislatively named grants.¹

Pathways to Prosperity Program Overview

The Pathways to Prosperity program awards competitive grants to nonprofit organizations, local governments, and other entities. Through Pathways to Prosperity, grantees provide basic skills education, career-specific training, and support services to unemployed and underemployed adults. Grantees must partner with employers, educational institutions, and workforce development organizations to deliver services to program participants.

Pathways to Prosperity is composed of three separate grant programs targeted toward individuals based on their education levels and skills, as shown in Exhibit 2.1.

¹ Appendix B contains a list of grantees that received a Pathways to Prosperity or ACP legislatively named grant for fiscal years 2022 and 2023.

Exhibit 2.1

Pathways to Prosperity includes three grant programs.

On-Ramp to Career Pathways	Bridge to Career Pathways	Individualized Training Pathways
<p>Serves participants who are at or below a sixth-grade education level</p> <p>Focuses on basic education, English language skills, and earning a certificate</p> <p>Goals: Continue education or obtain employment</p>	<p>Serves participants at or above a seventh-grade education level</p> <p>Focuses on developing basic skills to begin a training program</p> <p>Goals: Attain an industry-recognized credential and complete work readiness skills training, obtain employment or an apprenticeship, or pursue further education</p>	<p>Serves participants who are ready for post-secondary-level training</p> <p>Focuses on developing skills for specific industries, such as healthcare or information technology</p> <p>Goals: Attain post-secondary degree, diploma, or certificate and obtain employment; increase earnings; or continue to a four-year post-secondary education program</p>

Note: The descriptions in this exhibit are for grant programs for fiscal years 2022 and 2023.

Source: Office of the Legislative Auditor.

DEED specifies services that grantees must provide to participants in each of the three separate grant programs, such as adult basic education and training to earn an industry-recognized credential. In addition, DEED allows grantees to use grant funds to pay for support services for program participants, such as housing, transportation, health, and medical costs.

The Pathways to Prosperity program aims to support Minnesotans who may face barriers to employment.

DEED requires that Pathways to Prosperity participants have at least one qualifying characteristic that DEED has identified as a barrier to employment. Qualifying characteristics include living at or below 200 percent of the Federal Poverty Guideline, having limited English or math proficiency, and being unemployed for 26 or more weeks in the past year, as shown in Exhibit 2.2.

Grantees recruit participants and are required to collect certain documentation, such as proof of Minnesota residency, prior to enrollment in grant-funded services. In the fiscal year 2022-2023 grant period, grantees enrolled 2,653 Pathways to Prosperity participants.²

² We focused our evaluation on ACP grants that DEED awarded for fiscal years 2022 and 2023, the most recently completed grant period for Pathways to Prosperity and legislatively named grants. DEED extended some grants beyond the end of Fiscal Year 2023. For simplicity, we refer to the fiscal years 2022 and 2023 grant award period as the “fiscal year 2022-2023 grant period.”

Exhibit 2.2
Select Qualifying Characteristics of Pathways to Prosperity Program Participants,
Fiscal Year 2022-2023 Grant Period

	Percentage of Program Participants
Person of color	57%
Income at or below 200 percent of the Federal Poverty Guideline	47
Unemployed for at least 26 of the past 52 weeks	11
Criminal record	9
Limited English proficiency	8
Disability	8
Lacks a high school diploma or equivalent	5
Limited math proficiency	4

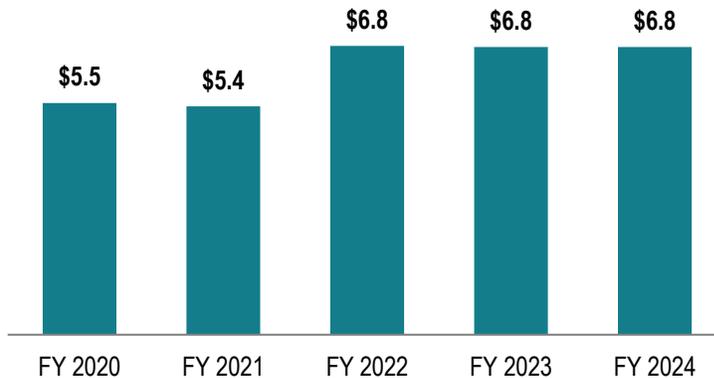
Notes: Participants may have more than one qualifying characteristic.

Source: Office of the Legislative Auditor, analysis of DEED program participant data.

DEED awarded nearly \$7 million to Pathways to Prosperity grantees in each of the last three fiscal years, as shown in Exhibit 2.3. Grantees included local units of government, nonprofit organizations, and community action agencies. Exhibit 2.4 lists the ten grantees that received the most Pathways to Prosperity funding in the fiscal year 2022-2023 grant period.

Exhibit 2.3
Total Grant Award Amounts for Pathways to Prosperity Grant Programs,
Fiscal Years 2020-2024

In millions



Source: Office of the Legislative Auditor, analysis of DEED grants awards data.

Exhibit 2.4
Grantees That Received the Most Funding Through Pathways to Prosperity, Fiscal Year 2022-2023 Grant Period

Grantee	Total Grant Amount Received	Number of Grants
City of Duluth Workforce Development	\$1,161,797	4
Hiawatha Valley Adult Education	800,000	2
Hired	800,000	2
White Earth Tribal and Community College	707,610	2
Workforce Development, Inc.	696,000	2
Project for Pride in Living	662,931	2
Minnesota Valley Action Council	656,000	2
Lutheran Social Service of Minnesota	616,000	2
St. Paul Public Schools	545,776	2
Karen Organization of Minnesota	490,000	2

Source: Office of the Legislative Auditor, analysis of DEED grants awards data.

Exhibit 2.5 below shows examples of services three grantees offered through Pathways to Prosperity funding in the fiscal year 2022-2023 grant period.

Exhibit 2.5
Examples of Grant-Funded Activities

Washington County Community Services	Hired	City of Duluth Workforce Development
<p>Pathways to Prosperity Grant: On-Ramp to Career Pathways</p> <p>Grant Award Amount: \$114,233</p> <p>Grant Funded Activities: Provided classroom-based training to individuals interested in earning a certificate demonstrating proficiency in Microsoft Office applications.</p>	<p>Pathways to Prosperity Grant: Bridge to Career Pathways</p> <p>Grant Award Amount: \$400,000</p> <p>Grant Funded Activities: Provided customer service and work-readiness skills trainings for individuals seeking entry-level employment in medical call centers.</p>	<p>Pathways to Prosperity Grant: Individualized Training Pathways</p> <p>Grant Award Amount: \$310,544</p> <p>Grant-Funded Activities: Provided (1) tuition assistance for individuals to obtain a commercial driver’s license, and (2) financial assistance to students engaged in unpaid internships.</p>

Source: Office of the Legislative Auditor, review of Pathways to Prosperity grant files.

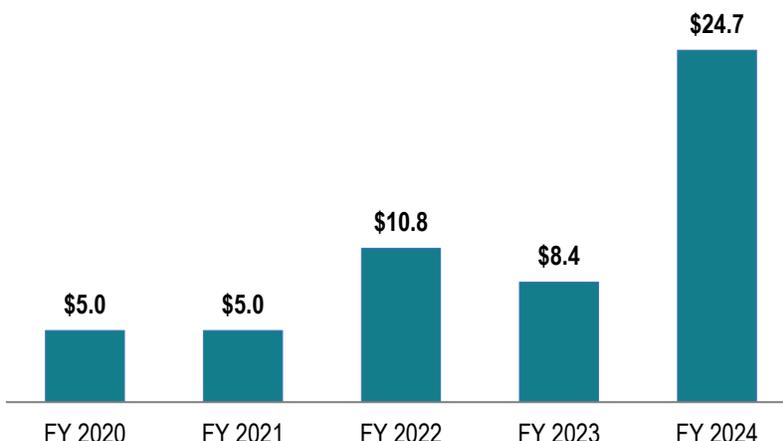
Legislatively Named Grants Overview

As we described in Chapter 1, the Legislature may direct grant funding to specific entities named in law. In recent years, the Legislature has assigned DEED responsibility to administer dozens of these legislatively named grants, some of which are for employment and training programs.

As shown in Exhibit 2.6, the amount of state funding for legislatively named grants that ACP awarded nearly tripled from Fiscal Year 2023 to Fiscal Year 2024. The number of grants doubled, increasing from 21 grants in Fiscal Year 2023 to 44 grants in Fiscal Year 2024.

Exhibit 2.6
Total Grant Award Amounts for ACP Legislatively Named Grant Programs, Fiscal Years 2020-2024

In millions



Source: Office of the Legislative Auditor, analysis of DEED grants award data.

The legislatively named grants that ACP managed funded a wide range of services for adults, including career counseling, General Educational Development (GED) training, and industry-specific job training. The target populations and specific purposes of the grants varied. Exhibit 2.7 describes the purposes of three of the legislatively named grants that ACP managed in the fiscal year 2022-2023 grant period.

Exhibit 2.7

Purposes of Select ACP Legislatively Named Grants, Fiscal Years 2022-2023

Grantee	Appropriation	Purpose in Law	Examples of Activities
Summit Academy OIC	\$2,350,000	Expand GED training, employment placement, and science programs	<ul style="list-style-type: none"> Recruited and enrolled students in a 10-week full-time GED training program Recruited and enrolled students in 20-week full-time job training programs in construction, healthcare, or information technology
Propel Nonprofits	\$2,000,000	Award subgrants to small, culturally specific nonprofit organizations to help those organizations build capacity	<ul style="list-style-type: none"> Administered subgrants to 38 nonprofit organizations Provided group trainings and individualized technical assistance to subgrantees
American Indian OIC	\$1,424,000	Provide student tutoring, workforce training, career counseling, and other services to reduce academic disparities for American Indian students and adults, in collaboration with the Northwest Indian Community Development Center	<ul style="list-style-type: none"> Provided in-person and online adult basic education training, including GED classes, computer basics training, and work readiness training

Note: This table shows three legislatively named grants that ACP managed in the fiscal year 2022-2023 grant period, the most recently completed grant period.

Source: Office of the Legislative Auditor, review of state law and grant files.

Program Outcomes

Statutes require DEED to collect and publish data on certain performance metrics related to state-funded workforce programs, including Pathways to Prosperity and ACP legislatively named grants.³ These metrics include the number of program participants who completed training or earned a credential at the time they left the program. Statutes also require DEED to report to the Legislature the impact of certain workforce programs.⁴

³ *Minnesota Statutes* 2024, 116L.98, subs. 3-5.

⁴ *Minnesota Statutes* 2024, 116L.98, subd. 7(c)(1).

A lack of clear goals makes it difficult to determine whether Pathways to Prosperity or ACP legislatively named grants have been successful.

While statutes require DEED to report on program metrics and impact, the Legislature has not articulated measurable goals for the Pathways to Prosperity or the ACP legislatively named grant programs. It has also not directed DEED to establish goals for those programs related to the required program metrics, and DEED has not done so. In addition, DEED has not fulfilled a requirement to analyze the impacts of its programs. Without measurable goals, it is difficult to determine whether the programs are successful at meeting their intended purposes.

We discuss this finding further in the rest of this section.

Performance Metrics

By law, DEED must collect and publish data on 16 different metrics for its state-funded workforce programs, including Pathways to Prosperity and ACP legislatively named grants.⁵ As shown in the box to the right, these metrics include the number of participants who enrolled in the program, program cost, and participant wages before and after the program. State law requires DEED to analyze and publicly report data on the 16 metrics, including through a biennial report to the Legislature and by publishing data on the department's website.⁶ Some of these performance metrics are similar to those that DEED must report for its federally funded workforce programs.



Examples of Required Performance Metrics for State-Funded Workforce Programs

- Total number of participants who enrolled
- Total number of participants who completed training
- Total number of participants who attained a credential
- Median wages before enrollment and at certain times after leaving the program
- Total cost of the program

— **Minnesota Statutes 2024, 116L.98, subd. 3(a)**

⁵ *Minnesota Statutes 2024*, 116L.98, subs. 3-5. Because the ACP legislatively named grant to Propel Nonprofits is for subgrants to nonprofit organizations rather than direct workforce development services to individuals, DEED does not require Propel Nonprofits to collect data on these metrics.

⁶ *Minnesota Statutes 2024*, 116L.98, subs. 3 and 5. DEED published its last report on workforce program performance metrics in January 2023. The next report for fiscal years 2023-2024 was due December 31, 2024. Department of Employment and Economic Development, *Workforce Program Uniform Outcomes Report Card* (2023), <https://mn.gov/deed/data/workforce-data/report-card/analysis.jsp>, accessed March 11, 2025. DEED last updated the workforce development metrics data on its website on December 19, 2024. Department of Employment and Economic Development, *Report Card* (2023), <https://mn.gov/deed/data/workforce-data/report-card/report-card.jsp>, accessed March 11, 2025.

The performance metrics that state law requires DEED to report for its workforce programs are not useful for measuring program success.

Generally, these metrics are numbers, such as the number of participants who enrolled in the program and the number of participants who completed a training. However, without additional context, numbers are ineffective for assessing the success of the programs. For example, it is nearly impossible to judge whether 20 participants completing a training is a success.

Providing additional context would help demonstrate whether the programs are successful. For example, it is more useful to learn that 60 percent of participants completed a training than that 20 participants completed the training. But, this information alone does not necessarily indicate the success of a program. Many factors contribute to the ability of individuals to complete a training program; for a group of individuals served by one program, a 60 percent success rate may be very good. For another group that faces fewer challenges, it may be very low. Without measurable goals against which to compare performance metrics, it remains unclear whether a grant program was successful.

Rather than develop program-wide performance goals, DEED and grantees set goals for each individual grant. This approach allows DEED to assess the extent to which an individual *grant* met its goals, but it is ineffective at measuring the extent to which a *grant program* achieved its stated purpose. For example, DEED can measure whether a Pathways to Prosperity grantee was successful in meeting its goals for an individual grant. However, it is difficult to determine whether that program as a whole has been successful in achieving a broader purpose.

RECOMMENDATIONS

- **The Legislature should direct DEED to establish measurable performance goals for the Pathways to Prosperity and the ACP legislatively named grant programs.**
 - **DEED should use program data to establish measurable performance goals for these programs.**
-

While we do not think the existing workforce performance metrics are sufficient for measuring program success, we do not recommend eliminating them.⁷ Instead, we recommend that the Legislature require DEED to build on these metrics to establish measurable and meaningful goals that consider the communities served, economic environment, and other relevant factors.

Establishing measurable performance goals for the Pathways to Prosperity and the ACP legislatively named grant programs can help the Legislature and DEED determine whether the programs have been successful in achieving their stated purposes.

⁷ As we stated earlier, some state reporting requirements for DEED's workforce programs are similar to DEED's reporting requirements for its federal workforce programs.



“**Net impact**’ means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.”

— *Minnesota Statutes 2024, 116L.98, subd. 2(d)*

A **cost-benefit analysis** “compares a program’s outputs or outcomes with the costs (resources expended) to produce them.... [It] aims to identify all relevant costs and benefits, usually expressed in dollar terms.”

— **United States Government Accountability Office**

Program Impact

State law requires DEED to contract with an independent entity to conduct a **net impact analysis** of certain workforce programs.⁸ Every four years, DEED must report to the Legislature the results of the net impact analysis, including the net impact of workforce services on individual employment, earnings, and public benefits usage.⁹ DEED’s report to the Legislature must also include a **cost-benefit analysis** of workforce services.¹⁰

The net impact analysis is intended to provide information that is different from the other required metrics. Generally, the required metrics describe the programs’ activities, such as the number of enrollments, and certain outcomes, such as the number of program participants that found a new job after leaving the program. In contrast, the net impact analysis compares program participants to nonparticipants in order to determine whether the program was the *cause* of certain outcomes or whether those outcomes may have occurred in the absence of the program.

The Legislature began requiring DEED to publish a net impact analysis of its workforce programs following our 2010 evaluation report, which recommended that DEED periodically compare participants and nonparticipants to assess effectiveness of workforce programs.¹¹ The report described several advantages of completing a net impact analysis of workforce programs.¹² For example, overall economic conditions, such as high or low unemployment rates, could affect the number of participants who find a new job at the end of their program. By comparing participants with similar nonparticipants, a net impact analysis could estimate the effect of the program on a participant’s ability to find a job, independent of economic conditions. In addition, completing a net impact analysis at regular intervals can help assess changes in program policy.

DEED has not complied with the requirement to analyze the impact of its workforce programs.

DEED did not complete the most recent mandatory net impact analysis report within the required timeframe. DEED last published the net impact analysis report in 2017, as required.¹³ The next report was due four years later, in 2021. DEED staff told us that the COVID-19 pandemic affected DEED’s ability to complete the net impact analysis report in 2021. In March 2025, DEED staff reported that DEED will take the necessary steps to complete the report.

⁸ *Minnesota Statutes 2024, 116L.98, subd. 7(b).*

⁹ *Minnesota Statutes 2024, 116L.98, subd. 7(c)(1).*

¹⁰ *Minnesota Statutes 2024, 116L.98, subd. 7(c)(2).*

¹¹ Office of the Legislative Auditor, Program Evaluation Division, *Workforce Programs* (St. Paul, 2010), 33.

¹² *Ibid.*, 36.

¹³ *Minnesota Statutes 2024, 116L.98, subd. 7(c).* Department of Employment and Economic Development, *Net Impact of Workforce Programs* (2017).

RECOMMENDATION

DEED should complete the workforce program net impact analysis report as required by law.

The net impact analysis report helps DEED, the Legislature, and the public better understand the impact, costs, and benefits of DEED’s workforce programs. DEED should develop a plan to comply with the legal requirement to complete the analysis every four years.

Participant Outcomes

Due to the lack of program-level performance goals for the ACP grants we reviewed, we could not assess whether these grant programs were successful. Instead, we focused our analysis on participant experiences at the time they left their respective programs for the fiscal year 2022-2023 grant period (“grant period”). In program documentation we reviewed, DEED defined “successful participants” based on the reasons they left the program and other criteria. For example, according to DEED’s definition, successful participants include those who completed certain training objectives and obtained employment at the time they left their respective program. Grantees report participants’ reasons for leaving their respective program in DEED’s Workforce One case management system.¹⁴

Based on program documentation, including DEED’s definition of success, and input from DEED staff, we categorized participants’ reasons for leaving the program as **successful** or **unsuccessful** outcomes as shown in the box below. We used DEED’s Workforce One data reported by grantees to determine the percentage of participants that experienced each type of outcome.



Participant Outcomes

New or better employment outcome: The participant found a new job or received a promotion or wage increase as a result of the training program.

Completed training objective: The participant completed training and earned a certificate or achieved other program objectives but did not have a new or better employment outcome.

Other successful outcome: The participant entered the armed forces or remained in school.

Unsuccessful outcome: The participant left a program before gaining better employment or completing the program’s goals. Participants may leave a program before completing it for many reasons, including moving from the area, experiencing a personal or medical problem, or because they were no longer interested in the program. In addition, a grantee may end a participant’s program enrollment if the participant has not responded to a grantee’s attempts to contact them.

Continued enrollment: The participant did not complete the program within the grant period in our review but continued their enrollment in a subsequent grant period.

¹⁴ Workforce One is DEED’s case management system that grantees use to report program participant information, including demographic and enrollment information. For this evaluation, we reviewed grantees’ reported data for participants who enrolled in programs for fiscal years 2022 and 2023.

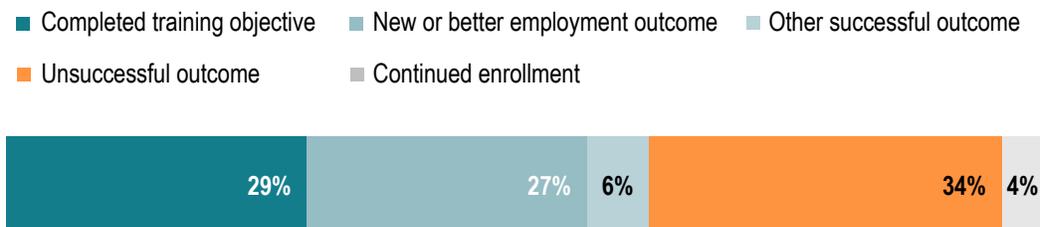
About 63 percent of Pathways to Prosperity participants enrolled in the fiscal year 2022-2023 grant period had successful outcomes.

Out of the 2,635 Pathways to Prosperity participants who enrolled during the fiscal year 2022-2023 grant period, 27 percent (715) had new or better employment when their enrollment ended. Another 29 percent of participants (766) completed the training objective, though they had not secured a new job, promotion, or wage increase when they left the program. An additional 6 percent (168) experienced at least one other successful outcome, as shown in Exhibit 2.8.

Approximately
53%
of Pathways to Prosperity program participants earned a program certificate or other credential during their enrollment in the fiscal year 2022-2023 grant period.

However, 34 percent (885) of Pathways to Prosperity participants enrolled during the grant period experienced an unsuccessful outcome. A lack of contact with the grantee was the most common reason that enrollments ended before program completion. Of participants with an unsuccessful outcome, grantees reported that 42 percent (368) did not respond to requests for contact from the program.¹⁵

Exhibit 2.8
Outcomes of Pathways to Prosperity Participants, Fiscal Year 2022-2023 Grant Period



Source: Office of the Legislative Auditor, analysis of DEED Workforce One data.

About 45 percent of participants had successful outcomes in employment and training programs funded through legislatively named grants in the fiscal year 2022-2023 grant period.

Of the 3,328 participants enrolled in employment and training programs provided through an ACP legislatively named grant during fiscal years 2022-2023, 23 percent (764) obtained a new or better job.¹⁶ Another 21 percent (688) successfully completed the training program but did not find a new job or earn a promotion or wage increase. An additional 1 percent (38) experienced another successful outcome, as shown in Exhibit 2.9.

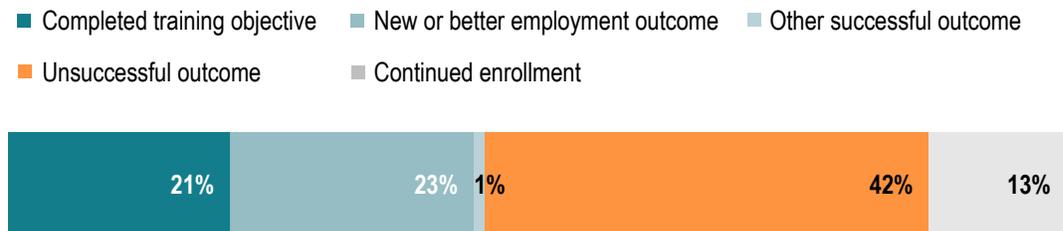
¹⁵ Four percent of participants (101) did not complete the program within the grant period in our review, but they continued their enrollment in a subsequent grant period.

¹⁶ We analyzed DEED data on adults who were enrolled in any ACP legislatively named grant program in the fiscal year 2022-2023 grant period.

In addition, about 42 percent of participants (1,391) enrolled in a legislatively named grant program experienced an unsuccessful outcome. Similar to Pathways to Prosperity, unsuccessful contact attempts were the most common reason that grantees recorded for ending a participant’s enrollment. The second most common reason was that the participant was no longer interested in the services offered.

Approximately
29%
of legislatively named grant program participants earned a program certificate or other credential during their enrollment in the fiscal year 2022-2023 grant period.

Exhibit 2.9
Outcomes of Participants in Legislatively Named Grant Programs, Fiscal Year 2022-2023 Grant Period



Source: Office of the Legislative Auditor, analysis of DEED Workforce One data.

According to DEED staff, a variety of factors could contribute to the differences in outcomes between Pathways to Prosperity and the legislatively named grant programs. A DEED staff person suggested that legislatively named grantees generally have less experience working with DEED. DEED staff said legislatively named grantees may have more to learn in terms of understanding DEED’s policies and procedures, including how to use DEED’s case management system.

Participant Perspectives

To better understand participants’ experiences, we surveyed approximately 3,000 program participants enrolled in one or more trainings funded through Pathways to Prosperity or an ACP legislatively named grant.¹⁷ We surveyed only participants with active e-mail addresses and received a small number of responses, so we cannot generalize the responses to all training participants. However, survey respondents provided valuable information about their experiences, which we discuss below.



[The training program] helped me immensely in furthering my career and gaining new skills with the support provided and it likely would have taken me years to get to [where] this program helped me get in a short few months.

— Pathways to Prosperity participant

¹⁷ We surveyed 2,960 adults whose enrollment in a grant-funded training began after January 2023 and ended by July 2024. If adults were enrolled in more than one training, we asked them about their experiences with the most recently ended training. We received 168 responses, for a response rate of six percent. We received 55 responses from Pathways to Prosperity participants and 113 responses from legislatively named grant program participants.



The training program enabled me to change career paths. I am now working with the certification attained and pursuing a nursing degree. I could not have done that without this certification.

Participating in the training program helped me grow both professionally and personally. I gained new skills, improved my confidence, and it enhanced my job prospects, bringing stability and reassurance to my family.

— Legislatively named grant program participants

In our survey of Pathways to Prosperity and legislatively named grant program participants, we asked each person about their enrollment in a specific training program. Of 131 respondents who indicated that they completed their training program, 108 indicated that their training program helped them with their employment goals or education goals. Of those 108 respondents, 78 reported that they were able to gain helpful skills or knowledge as a result of the training program. Further, 29 respondents reported that they were able to earn wages to support themselves and their family, and 29 respondents also reported that they were able to get a job in the same industry or field as their training. A similar number of respondents (28) indicated that they were able to get a job after not having a job.

Respondents who indicated that they did not complete the training (16) reported a variety of reasons for why they did not continue the training program. For example, five respondents said it was difficult to balance the training with their work obligations. Five respondents said they did not find the training useful. Three respondents reported that they did not receive enough support from the provider to complete the training (for example, transportation assistance).

Office of Broadband Development Grants

As we described in Chapter 1, OBD manages several grant programs to improve access to adequate broadband service for households and businesses in certain areas of Minnesota. Statutes define “adequate” access through statewide goals, as shown in the box at right.¹⁸ In short, these goals are to ensure (1) broadband coverage across all businesses and homes in Minnesota, and (2) minimum speeds of that coverage.

According to DEED’s data, about 90 percent of Minnesota households have access to broadband service that meets or exceeds the state’s 2026 broadband speed goal. OBD’s broadband grant programs aim to improve access to broadband service for the remaining 10 percent of households that lack adequate access.



Minnesota’s Universal Access and High-Speed Goals

- By 2022, all Minnesota businesses and homes have access to broadband internet with minimum download speeds of 25 megabits per second (Mbps) and minimum upload speeds of 3 Mbps.
- By 2026, all Minnesota businesses and homes have access to broadband internet with minimum download speeds of 100 Mbps and minimum upload speeds of 20 Mbps.

— **Minnesota Statutes 2024, 237.012, subd. 1**

¹⁸ *Minnesota Statutes, 2024, 237.012, subd. 1.* According to DEED, as of 2023, 92 percent of Minnesota households had access to broadband at speeds that met the state’s 2022 goals, and 88 percent of Minnesota households had access to broadband at speeds that met the state’s 2026 goals. Department of Employment and Economic Development, *Office of Broadband Development 2023 Annual Report* (2024), 11.

For the purposes of our evaluation, we focused exclusively on the Border-to-Border Broadband Development grant program (“Border-to-Border” or “broadband” grant program).

Border-to-Border Grants Overview

The Border-to-Border grant program is a competitive grant program established by the Legislature.¹⁹ DEED awards grants to internet service providers and other eligible entities that then use the funds to install and upgrade existing broadband service in certain areas.



Eligible Program Costs

Broadband grantees may use grant funds to acquire and install certain **broadband infrastructure** capable of providing **broadband service** at minimum speeds set forth in law.

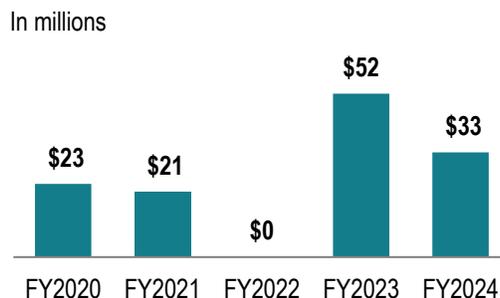
— *Minnesota Statutes 2024, 116J.395, subd. 2*

Statutes establish several requirements for the Border-to-Border Broadband Development grant program. Statutes require DEED to prioritize awarding Border-to-Border grants to entities that propose the expansion of broadband service in “unserved” areas of Minnesota.²⁰ DEED may also prioritize awarding grants to entities that propose the expansion of broadband services in “underserved” areas of Minnesota.²¹ As we described in Chapter 1, “underserved” and “unserved” areas are those where broadband service is not available or does not meet certain speed thresholds.²²

Statutes also establish financial requirements for Border-to-Border grants. The maximum amount for an individual grant award is currently \$10 million.²³ Statutes also require DEED to (1) limit Border-to-Border awards to no more than 50 percent of the total cost of a project and (2) ensure grantees leverage matching funds from other public or private sources.²⁴ As shown in Exhibit 2.10, OBD awarded a total of about \$130 million in state funding for the broadband grant program for fiscal years 2020 through 2024.

During the grant application stage, DEED makes determinations about whether Border-to-Border applicants can meet state broadband goals and grant requirements. DEED requires broadband grant applicants to demonstrate that the proposed project

Exhibit 2.10
State Funding for Border-to-Border Grants, Fiscal Years 2020-2024



Note: OBD did not award state-funded broadband grants in Fiscal Year 2022.

Source: Office of the Legislative Auditor, analysis of DEED grants award data.

¹⁹ *Minnesota Statutes 2024, 116J.395, subs. 1 and 4.*

²⁰ *Minnesota Statutes 2024, 116J.395, subd. 6(a).*

²¹ *Minnesota Statutes 2024, 116J.395, subd. 6(b)(1).*

²² *Minnesota Statutes 2024, 116J.394, (h) -(i); and 116J.39, subd. 1(b).*

²³ *Minnesota Statutes 2024, 116J.395, subd. 7(b).* In 2023, the Legislature increased the maximum grant award amount for the broadband grant program from \$5 million to \$10 million.

²⁴ *Minnesota Statutes 2024, 116J.395, subs. 7(a) and 6(b)(9).*

would support the expansion of broadband service in underserved or unserved areas. In addition, DEED requires applicants to include the number of locations that the applicant intends to serve.

DEED also requires applicants to agree to build or update broadband infrastructure capable of providing broadband service that meets statewide goals for minimum upload and download speeds. Additionally, DEED requires applicants to demonstrate that they can meet the financial requirements described previously.

Program Outcomes

As we noted in Chapter 1, we focused our evaluation on the active and closeout stages of the grants in our review. Because DEED determined whether grants would meet geographic goals for broadband expansion through its application process, we did not evaluate whether Border-to-Border grants met these goals.

Instead, we reviewed the extent to which broadband grantees (1) built infrastructure to serve the number of locations indicated in DEED’s contracts and (2) met the state speed goal indicated in DEED’s grant contracts. DEED contracts with a third-party vendor, Connected Nation, to validate that the infrastructure built by the grantee meets the goals established in DEED’s grant contracts. At the end of a project, Connected Nation staff visit the project area and verify that grant-funded broadband infrastructure is functional and provides adequate broadband speeds to **locations** in the project area. Connected Nation staff then produce a field validation report for DEED to review and maintain in the grantee’s file.



Broadband grants serve a variety of **locations**, such as private homes and public libraries.

To determine the extent to which broadband grantees achieved their project goals, we reviewed grant files, including field validation reports, for 20 Border-to-Border grants.²⁵



Field Validation

When a grantee completes construction for a Border-to-Border grant project, DEED contacts Connected Nation to schedule a field validation visit. During the field validation visit, Connected Nation staff typically drive along each road in the project area to look for broadband infrastructure sufficient to serve the number of locations in the grant contract. Although some infrastructure, such as fiber cables, may be buried, Connected Nation staff look for infrastructure above ground. For example, they may look for enclosures that contain fiber cables and are located on the ground or hanging from cables or poles. Connected Nation staff record the location of each piece of infrastructure they identify, and include a map in the field validation report they provide to DEED. They also conduct several speed tests at different places within the project area.

As part of this evaluation, we accompanied Connected Nation staff on a field validation visit. We observed them conducting broadband speed tests at three sites in the project area. We also observed their broadband infrastructure mapping process in real time.

²⁵ For the purposes of this evaluation, we randomly selected 20 closed Border-to-Border grants that OBD awarded between fiscal years 2021 and 2023. These grants represent 56 percent of the broadband program’s closed grants during this period. Appendix B contains a list of grantees that received a state-funded Border-to-Border grant in Fiscal Year 2021 and Fiscal Year 2023.

All broadband grantees in our review built broadband infrastructure that met goals outlined in the grant contracts.

For the grants in our review, Connected Nation or DEED validated that all 20 of the broadband grantees met the goal for the total number of locations or area they agreed to serve in the grant contract.²⁶ In total, the broadband grantees in our review agreed to build broadband infrastructure to support 3,002 locations. Most of the broadband grantees reported meeting or exceeding the goal number of locations. Exhibit 2.11 shows the number of locations grantees in our review reported serving.

Exhibit 2.11

Most broadband grantees reported meeting or exceeding the goal number of locations for the grants in our review.

Grantee	Goal Number of Locations	Reported Number of Locations	Grant Award Amount	Count(y/ies) in Project Area
AcenTek	374	374	\$1,492,096	Filmore, Winona
Benton Cooperative Telephone Company	119	120	338,011	Mille Lacs, Morrison
BEVCOMM	108	108	210,692	Rice, Steele, Waseca
Charter Communications, Inc.	8	8	11,400	St. Louis
Crosslake Communications	232	232	618,970	Crow Wing
Garden Valley Technologies	126	129	1,640,722	Marshall, Polk
Gardonville Cooperative Telephone Association	292	292	692,929	Douglas
KMTelecom	171	171	404,709	Dodge, Mower, Olmsted
Lismore Cooperative Telephone Company	100	101	219,714	Murray, Nobles
Mediacom Minnesota, LLC	89	91	99,156	McLeod
Meeker Cooperative Light and Power Association	35	35	41,927	Meeker, Stearns
MiBroadband, LLC	257	257	1,173,330	Fillmore
Midcontinent Communications	79	21 ^a	78,824	Washington
Minnesota Valley Telephone Company	45	45	226,800	Brown, Nicollet, Redwood, Renville
Mille Lacs Energy Cooperative	85	85	198,607	Aitkin
Nuvera Communications, Inc.	47	60	169,369	McLeod
Wikstrom Telephone Co., Inc.	153	181	490,997	Kittson, Marshall, Polk
Winnebago Cooperative Telecom Association	319	319	953,842	Faribault, Freeborn
Winthrop Telephone Company, Inc.	154	154	716,000	Sibley
Woodstock Telephone Company	209	209	325,548	Lyon

^a Midcontinent Communications was awarded federal grant funding in December 2020 that fully funded 58 of the 79 goal locations. Midcontinent Communications built the remaining 21 locations using broadband grant funds.

Note: DEED awarded 19 of the grants in Fiscal Year 2021 and 1 of the grants (Mediacom) in Fiscal Year 2023.

Source: Office of the Legislative Auditor, analysis of DEED broadband grant files.

²⁶ Connected Nation staff conducted field validations for 19 out of 20 grants in our review, and a DEED staff person conducted the field validation for the 1 remaining grant in our review. In addition, one of the grantees in our review, Midcontinent Communications, used federal funding to build 58 out of 79 locations specified in its contract with DEED. Midcontinent Communications built the remaining 21 locations with Border-to-Border funding, as shown in Exhibit 2.11.

The grant files also showed that all 20 of the broadband grantees built infrastructure capable of providing broadband service that met or exceeded the relevant state broadband speed goals specified in contracts.

In addition, most of the broadband grantees successfully completed their projects within the original timeframes specified in the grant contracts. Three grantees successfully requested extensions for various reasons, such as supply chain challenges, permitting delays, and poor weather conditions.



OLA

Chapter 3: Grant Oversight

When a state agency oversees a grant program, the agency must perform different oversight roles. While the agency must support its grantees as they carry out their work—for example, it must provide clear direction and assistance to grantees to help them meet grant requirements—it must also monitor grantees and hold grantees accountable if they do not fulfill grant requirements.

In this chapter, we discuss the extent to which the Department of Employment and Economic Development (DEED) provided adequate oversight of select grants managed by the Office of Adult Career Pathways (ACP) and the Office of Broadband Development (OBD). We first report grantees' opinions from our survey about the extent to which DEED supported them throughout their grants. Then, we discuss the extent to which DEED complied with Office of Grants Management (OGM) requirements related to grant oversight for the grants we reviewed.

Key Findings in This Chapter

For grant programs we evaluated:

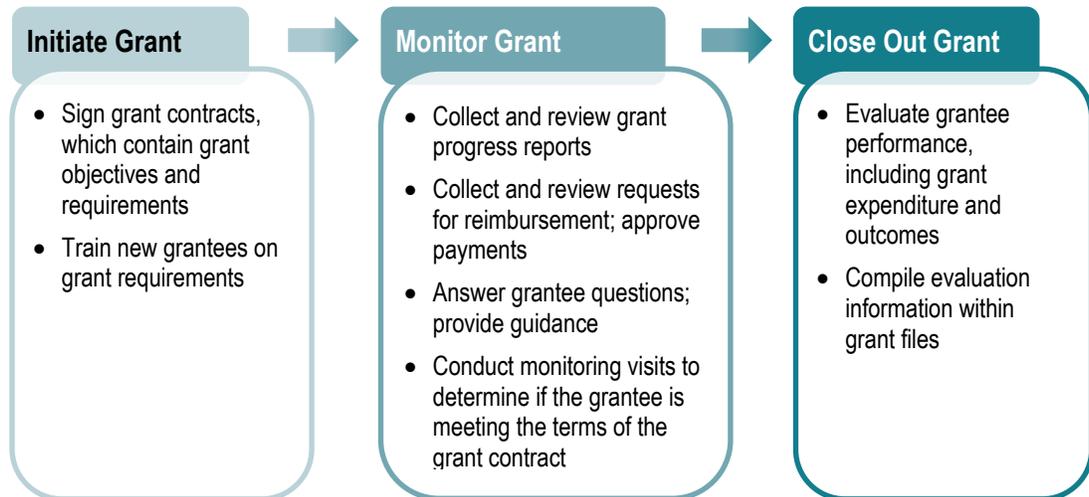
- Grantees in our survey indicated that DEED provided effective support.
- DEED did not comply with key OGM oversight requirements, including requirements related to grant monitoring and closeout evaluations.

Overview

As we stated in Chapter 1, DEED divides grants management responsibilities between its Administrative and Financial Services Division and its program divisions.

DEED's program division staff, including ACP and OBD staff, are responsible for providing oversight of grantees. For example, program staff are responsible for ensuring that grantees are meeting grant objectives by collecting and reviewing progress reports. As another example, program staff are responsible for answering grantees' questions about grant requirements. Exhibit 3.1 provides an overview of DEED's support and oversight activities from the beginning to the end of the grant period.

Exhibit 3.1
Overview of DEED's Grant Oversight Activities



Note: This exhibit describes written and unwritten procedures that DEED's program division staff (including ACP and OBD staff) indicated that they follow when managing DEED's grant programs.

Source: Office of the Legislative Auditor.

According to grantees we surveyed, DEED provided effective support to them; at the same time, DEED did not meet certain requirements for grant oversight.

Grantees that responded to our survey generally reported favorable opinions about DEED's support to them, including the timeliness, helpfulness, and clarity of DEED's communications. However, in our review of certain grants managed by DEED's ACP and OBD, we found several instances of noncompliance with key OGM oversight requirements.

We discuss these conclusions in more detail throughout the rest of the chapter.

Grantee Support

DEED program staff are responsible for providing various types of support to grantees to help them comply with the requirements specified in their grant contract. For example, at the beginning of the grant award, DEED staff provide ACP grantees with training on the requirements related to their grant award. As another example, DEED staff provide OBD (or "broadband") grantees with progress report templates.

To understand the extent to which DEED provided effective support to its grantees, we surveyed grantees that received a recent ACP or OBD grant.¹

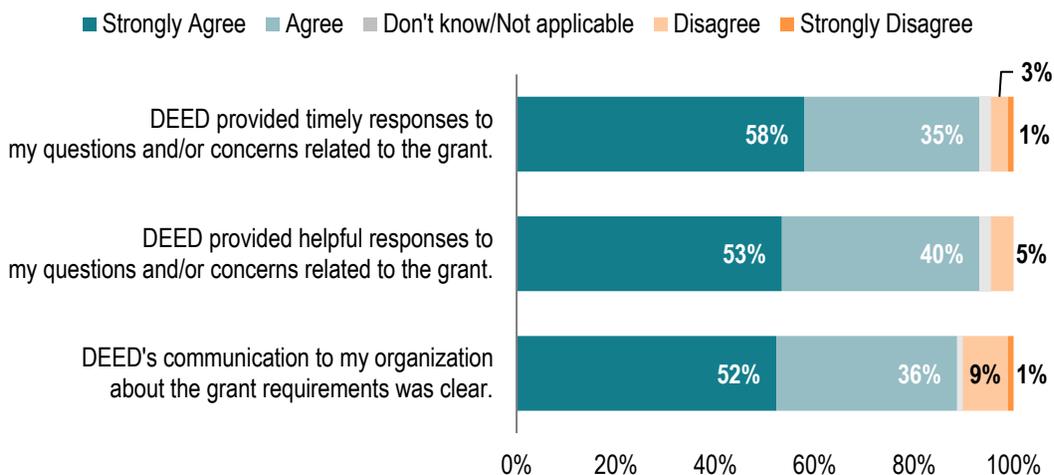
¹ We surveyed ACP grantees that received a state-funded grant award for fiscal years 2022 through 2024; we surveyed OBD grantees that received a state-funded grant awarded in fiscal years 2021 through 2024. We received responses from 89 of the 115 grantees that we surveyed, for a response rate of 77 percent.

Grantees that responded to our survey expressed favorable opinions about DEED’s support.

First, grantees that responded to our survey reported largely favorable opinions about DEED’s communications, as shown in Exhibit 3.2.

Exhibit 3.2

Most survey respondents had favorable opinions about the timeliness, helpfulness, and clarity of DEED’s communications.



Note: Responses above are for 88 grantees that responded to these questions.

Source: Office of the Legislative Auditor, survey of DEED grantees.

Second, grantees that responded to our survey also generally reported favorable opinions about the support DEED provided to comply with reporting and other requirements.

Progress Reports: DEED requires ACP grantees to submit progress reports every three months and OBD grantees to submit progress reports every six months. For the grants in our review, DEED provided grantees with templates for its progress reports.

Eighty-two survey respondents indicated that their organization had submitted one or more progress reports for a recent DEED grant. As shown in Exhibit 3.3, those ACP and OBD grantees generally expressed favorable opinions about certain DEED progress report requirements.



[T]he DEED team was great at responding to my questions and my grant manager was excellent and [sic] helping navigate the nuances of our grant.

Our Grant Manager was extremely responsive and helpful in all aspects of training and technical assistance. Her role was crucial to our success.

— ACP Grantees

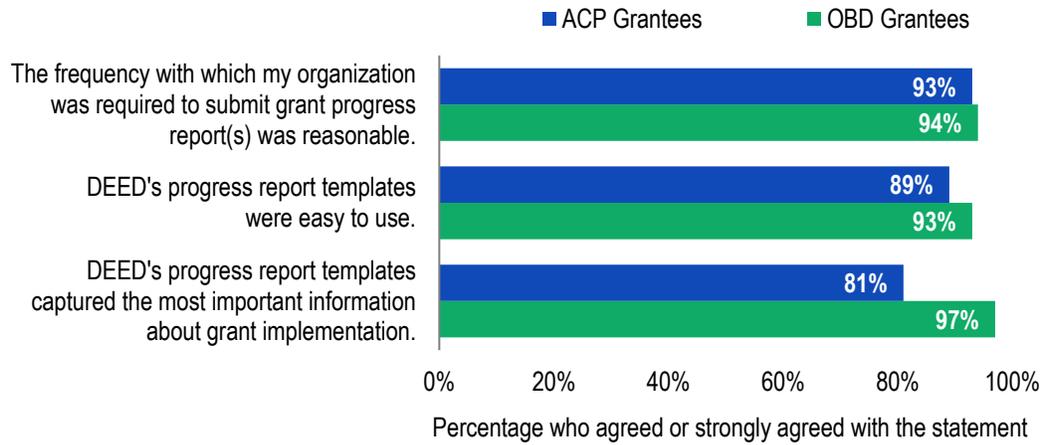
Very well-run program. Refreshing to have a state agency that acts like a partner and is responsive and helpful.

Minnesota is among our favorite states to work with on grant awards. They have the process down to a science.

— OBD Grantees

Exhibit 3.3

Survey Question: “To what extent do you agree or disagree with the following statements about DEED’s requirements for the grant progress report(s)?”



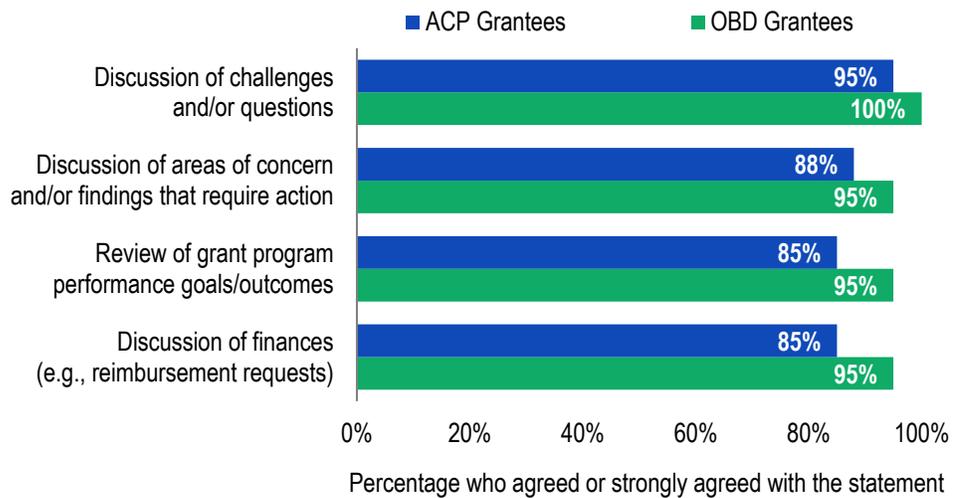
Note: Responses above are for 82 respondents who indicated they had submitted a progress report in connection with a recent DEED grant.

Source: Office of the Legislative Auditor, survey of DEED grantees.

Monitoring Visits: Sixty-two respondents to our survey indicated that DEED conducted a monitoring visit for a recent grant. Those respondents generally reported positive opinions about certain activities during DEED’s monitoring visits, as shown in Exhibit 3.4.

Exhibit 3.4

Survey Question: "To what extent do you agree or disagree that the following activities during DEED’s monitoring visit(s) were useful?"



Note: Of the 62 respondents that indicated that DEED had conducted one or more monitoring visits in connection with the grant, 61 to 62 respondents answered these questions.

Source: Office of the Legislative Auditor, survey of DEED grantees.

Grantee Oversight

After state agencies award a grant, OGM policies require them to monitor grant progress and evaluate the grantee’s performance. Appendix A summarizes these requirements.

We assessed DEED’s compliance with certain OGM requirements for both the active stage and closeout stage of the grant cycle. To do this, we reviewed grant files for 43 grants, including 23 ACP grants and 20 OBD grants.²

Active Grant Stage

During the **active grant stage**, OGM policies require state agencies to conduct a variety of oversight activities to ensure that grantees are achieving the grant’s purpose and using grant funds appropriately.

Progress Reports

According to OGM policies, DEED must require its grantees to submit progress reports at least annually, and must withhold payments if the grantee has not submitted a required progress report on time.³

DEED collected about one-half of required progress reports according to the schedules specified in its grant contracts.

DEED’s grant contracts required ACP grantees to submit progress reports every three months, and OBD grantees to submit progress reports every six months. For the grants we reviewed, at least 107 of the 229 required progress reports were either missing or late, as shown in Exhibit 3.5.⁴

**Exhibit 3.5
Summary of Required Progress Reports**

Progress Report Status	ACP Grants	OBD Grants	Percent of Total (n=229)
Missing	68	5	32%
Late	23	14	16
Unknown	4	4	4
On Time	67	44	48
Total	162	67	100%

Source: Office of the Legislative Auditor, review of DEED grant files.

² We included 23 grants awarded by ACP for fiscal years 2022 and 2023, representing 34 percent of its Pathways to Prosperity and legislatively named grants during that period. Our sample of ACP grants included 20 grants to 20 Pathways to Prosperity grantees selected at random and 3 grants to 3 legislatively named grantees. We also randomly selected 20 closed Border-to-Border Broadband Development grants awarded by OBD in Fiscal Year 2021 and Fiscal Year 2023, representing 56 percent of the program’s closed grants during that period.

³ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008, 1; and Operating Policy and Procedure 08-08, *Policy on Grant Payments*, revised April 12, 2021, 1. OGM policies allow state agencies to give grantees extensions to progress report deadlines.

⁴ DEED staff did not consistently document the date on which grantees submitted the required progress reports. Without documentation, we compared progress report due dates to the dates that grantees indicated they completed reports, rather than the dates they submitted them. Therefore, the numbers we present are likely a minimum number of progress reports that grantees submitted late.

While agencies may specify more frequent reporting in their grant contracts, OGM policy requires grantees to submit a minimum of one progress report per year.⁵ However, grantees did not submit *any* progress reports for four of the grants we reviewed, of which three had contract periods that exceeded one year.

Across the grants in our review, grantees did not submit 73 required progress reports at all. In addition, grantees submitted at least 34 progress reports late. Although OGM policy allows agencies to grant written extensions to reporting deadlines, DEED's grant files did not include written extensions for these late progress reports.⁶ An ACP staff person told us that ACP staff have provided extensions to grantees via e-mail, but they have not retained those e-mails in grant files. OBD staff have also not retained documentation of OBD's progress report deadline extensions.

DEED paid at least \$5 million to grantees with past-due progress reports, in violation of OGM policies.

OGM policies require state agencies to withhold payments for grantees with past-due progress reports.⁷ For the grants we reviewed, DEED paid about \$2.1 million to 14 Pathways to Prosperity grantees and about \$2.4 million to 3 ACP legislatively named grantees with past-due progress reports. DEED also paid about \$500,000 to two OBD grantees that had past-due progress reports. Exhibit 3.6 summarizes information about DEED's payments.

Exhibit 3.6
Summary of DEED Grants Payments

Category	ACP Grants	OBD Grants	Total
Number of grants reviewed	23	20	43
Number of grants that received payments while the grantee had past-due progress reports	17	2	19
Number of grants with payments and with unknown progress report statuses	3	4	7
Total amount paid	\$10,422,742	\$9,016,899	\$19,439,641
Amount paid on grants with past-due progress reports	\$4,529,692	\$520,413	\$5,050,105
Amount paid on grants with an unknown progress report status	\$98,521	\$383,243	\$481,764

Source: Office of the Legislative Auditor, review of DEED grant files.

⁵ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008, 1.

⁶ *Ibid.*

⁷ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008, 1; and Operating Policy and Procedure 08-08, *Policy on Grant Payments*, revised April 12, 2021, 1.

As we noted earlier, DEED did not retain documentation of progress report submissions or any extensions allowing its grantees to submit late progress reports.

According to DEED staff, neither ACP nor OBD had procedures in place to withhold payments for the majority of the grants we reviewed. Given that we reviewed only a subset of ACP and OBD grants, the \$5 million in payments to grantees with past-due progress reports is a minimum; the total across all of ACP's and OBD's grants could be higher.

Monitoring Visits

OGM policy requires state agencies to conduct at least one monitoring visit for grants over \$50,000 and at least annual monitoring visits for grants over \$250,000.⁸

Alternatively, if a state agency awards multiple grants with similar timeframes to the same grantee (“multi-award grantees”), OGM policy allows the agency to identify, through a documented risk assessment, a sample of grants for monitoring visits.⁹

DEED monitored most of its ACP grants in our review.

DEED conducted at least one monitoring visit related to 21 out of 23 ACP grants in our review; however, DEED did not always follow OGM requirements for monitoring grants for multi-award grantees or grants of over \$250,000.

DEED awarded 20 out of 23 ACP grants in our review to 19 multi-award grantees.¹⁰ DEED conducted monitoring visits as required for all but one of the multi-award grantees in our review. As previously noted, OGM policy allows for some flexibility in monitoring multi-award grantees. Rather than requiring agencies to conduct separate monitoring visits for each grant, OGM policy allows agencies to fulfill monitoring requirements by (1) conducting a risk assessment, and (2) conducting monitoring visits for a sample of the grants held by multi-award grantees.¹¹ DEED conducted the risk assessment for all 19 multi-award grantees in our review, and conducted at least one monitoring visit for at least one grant held by 18 grantees.¹²

DEED awarded the remaining 3 of the 23 ACP grants in our review to “single-award grantees”—those that held only one DEED grant during the time period. For these three grants, DEED was required to conduct at least one monitoring visit for each grant

⁸ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-10, *Policy on Grant Monitoring*, revised December 2, 2016, 1.

⁹ *Ibid.*

¹⁰ DEED awarded two grants in our review to the same grantee; as a result, the number of grantees here refers to unique grantees in our review.

¹¹ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-10, *Policy on Grant Monitoring*, revised December 2, 2016, 1.

¹² DEED conducted a risk assessment of organizations that received ACP grants for the fiscal year 2022 and 2023 grant programs. DEED's risk assessment included a review of the organizations' past performance and financial standing. DEED then assigned a risk designation—such as high or low—to the organizations.

according to OGM policy.¹³ As shown in Exhibit 3.7, DEED conducted monitoring visits for one of these three grants as required. However, DEED did not conduct any monitoring visits for one grant of nearly \$2 million. DEED conducted one monitoring visit for another grant of more than \$250,000, although DEED should have monitored the grant annually, as required by OGM policy.¹⁴

According to staff, DEED experienced staffing challenges that may have affected the agency’s monitoring decisions. In addition, a staff person suggested that staff may have made their monitoring decisions based on the complexity of the grant or whether the grant program was new to the grantee.

**Exhibit 3.7
Monitoring Status for ACP Grants to Single-Award Grantees, Fiscal Years 2022-2023**

Monitoring Status	Grant Award Amount
Did not conduct any required monitoring visits	\$1,900,000
Required to conduct annual monitoring visits, and conducted one but did not monitor annually	\$279,062
Required to conduct one monitoring visit, and conducted the visit	\$131,450

Source: Office of the Legislative Auditor, review of ACP grant files.

DEED did not monitor any of its OBD grants over \$250,000 within the first year of the grant, in violation of OGM policy.

DEED conducted at least one monitoring visit for each OBD grant we reviewed, including for grants that did not require a monitoring visit. However, DEED did not conduct *annual* visits, as required by OGM policy, for any of the 11 grants of over \$250,000.¹⁵ In addition, for one of these grants, DEED staff conducted its first monitoring visit about two months after it made the final payment on the grant, in violation of OGM policy.¹⁶ Exhibit 3.8 summarizes our findings related to DEED’s monitoring visits for OBD grants.

**Exhibit 3.8
DEED’s Monitoring Visits for Select OBD Grants**

Grant Award Amount	OGM Monitoring Requirement	Number of Grants	DEED’s Monitoring Visits
Over \$250,000	Annual monitoring required, including before final payment	10 1	Did not monitor annually Did not monitor annually, and did not monitor before final payment
Over \$50,000 and less than \$250,000	Monitoring required before final payment	7	Completed monitoring
Less than \$50,000	Not required	2	Completed monitoring

Source: Office of the Legislative Auditor, review of select OBD grant files.

¹³ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-10, *Policy on Grant Monitoring*, revised December 2, 2016, 1.

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ *Ibid.*

DEED staff told us that they did not conduct a monitoring visit within the first year for OBD grants for a variety of reasons. In a few cases, DEED staff told us that the grantees had not planned to begin construction until after the first year of the grant period. For other grants, DEED staff reported difficulties with coordinating schedules or reported that permitting or construction delays prevented DEED staff from conducting the first monitoring visit within the first year.

Closeout Stage

OGM's sole policy for the **closeout stage** requires state agencies to evaluate grantee performance and to then use this information when making future award decisions.¹⁷

DEED did not complete closeout evaluations for many of the grants in our review; those it did complete lacked required information.

DEED did not complete closeout evaluations that met OGM requirements for any of the 20 OBD grants in our review.¹⁸ Although DEED staff compiled closeout documents for all of the OBD grants in our review, the documents were not a summative, independent assessment of each grantee's performance. For example, one of OBD's closeout documents is a final report about the grant project that the *grantee* completes and submits to DEED.

DEED completed closeout evaluations for all of the 23 ACP grants that we reviewed. However, DEED staff completed at least three of these closeout evaluations after OLA requested them, nearly one year after the grants ended.

The OGM policy in place during the grant period we reviewed required state agencies to compile certain information about each grant in their closeout evaluations.¹⁹ Each of the 23 ACP closeout evaluations that DEED staff completed lacked required information. For example, none of the 23 closeout evaluations clearly indicated that the closeout evaluation applied to the fiscal year 2022-2023 grant period.²⁰ As another example, the standard closeout evaluation template that DEED staff used for ACP grants did not contain a section to record significant changes that arose during the grant period, nor the status of any financial or audit concerns involving the grantee. Further, six closeout evaluations did not contain information about grant outcomes.

¹⁷ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-13, *Policy on Grant Closeout Evaluation*, revised December 2, 2016, 1. We evaluated DEED's compliance with OGM requirements in effect for the grant period in our review. As shown in Appendix A, OGM has updated its closeout stage requirements effective April 1, 2024.

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ For the ACP programs we reviewed, DEED had two grant contracts with each grantee for the fiscal year 2022-2023 grant period, with one grant contract for each fiscal year. DEED did not conduct a closeout evaluation for each grant contract; instead, DEED staff told us they only completed closeout evaluations at the end of the Fiscal Year 2023 contracts. However, closeout evaluations for ACP grants did not clearly indicate whether they applied to both grant contracts from this two-year period.

In at least a few of the closeout evaluations we reviewed, the ratings given by DEED staff were not supported by evidence in the grant file. For example, in one closeout evaluation, a DEED staff person reported that the grantee “sometimes” submitted progress reports in a timely manner, but DEED’s records did not contain any progress reports from that grantee for the grant.

DEED’s Policies and Procedures

DEED’s Administrative and Financial Services (AFS) Division has established agencywide grants management policies and procedures to help DEED’s program staff comply with OGM requirements. In addition, DEED’s program divisions have procedures specific to overseeing their grant programs. We reviewed DEED’s policies and procedures related to its management of ACP and OBD grants.

DEED’s policies and procedures lack key details to support compliance with OGM requirements.

While DEED’s agencywide grants management policies generally address OGM’s oversight requirements, the policies omit certain requirements. For example, DEED’s agencywide policies direct staff to conduct at least one monitoring visit before final payment for grants of over \$50,000 and annual monitoring visits for grants of over \$250,000. However, the policies do not specify that DEED staff must review financial and progress reports prior to the monitoring visit. As another example, DEED recently updated its grant closeout evaluation policy, requiring staff to complete a closeout evaluation template which aligns with the requirements in OGM’s updated policy.²¹ However, DEED’s updated policy does not specify the OGM requirement to submit closeout evaluations to the Department of Administration for grants of over \$25,000. DEED’s policies also do not specify which staff are responsible for submitting those evaluations, or that staff must maintain grantee responses to the evaluations in grant files.

In addition, DEED’s agencywide policies and program division procedures do not contain information needed to coordinate across divisions to comply with a key OGM requirement. Specifically, DEED policies and program division procedures do not explain how to implement the OGM requirement to withhold payments on grants with past-due progress reports. Program division staff are responsible for collecting progress reports and ensuring that grantees’ requests for payments align with approved expenditures, while AFS staff are responsible for issuing payments. DEED’s policies and program division procedures do not contain specific instructions for staff from different divisions about how to withhold payments according to the OGM requirement. As we noted earlier in this chapter, this may have contributed to DEED making payments in violation of this requirement.

²¹ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-13, *Evaluating Grantee Performance*, revised April 1, 2024, 1. Effective April 1, 2024, OGM policy requires state agencies to complete and document grantees’ performance for grants of \$25,000 and less. In addition, OGM policy requires state agencies to submit a grantee evaluation report to the Department of Administration for grants of over \$25,000 issued on or after April 1, 2024. Appendix A of this report summarizes OGM’s updated requirements related to evaluating grantee performance.

DEED's program division procedures also lack details about how staff should implement certain OGM requirements. For example, ACP's procedures do not describe how staff should track progress report submissions. As another example, OBD's procedures also do not include details about how to tailor grant monitoring activities based on whether or not the grantee has begun construction on the project.

Recommendations

While grantees reported that DEED had largely provided them with effective support, we found several instances in which DEED had not complied with OGM's grant oversight requirements. In some cases, DEED staff may not have been aware of certain requirements, or did not consistently comply with them, because DEED's written policies and procedures lack important details. In other cases, DEED staff may have made mistakes or may have inconsistently documented their work.

DEED's noncompliance with OGM grants oversight policies jeopardizes DEED's ability to effectively manage grantee performance. For example, collecting required progress reports can help DEED promptly detect any issues that grantees may have with meeting grant objectives.

In this section, we make recommendations focused on strengthening DEED's oversight of its grant programs.

RECOMMENDATIONS

DEED should update its:

- **Agencywide policies and procedures to incorporate each of OGM's requirements.**
- **Division-specific procedures to describe how program staff must oversee grants to ensure compliance with OGM requirements.**

One way to improve DEED's compliance with OGM requirements is to ensure that program staff are aware of them and know how to implement them. We therefore recommend that DEED make changes to its written policies and procedures.

First, we recommend that AFS update DEED's agencywide policies to include all of OGM's requirements. For example, DEED's policies should include all of OGM's requirements for monitoring visits, such as the requirement to review the grantee's financial and progress reports before the visit.

We also recommend that AFS update DEED's agencywide procedures to describe how staff should follow DEED's grant monitoring and closeout policies. Specifically, DEED's procedures should direct staff to track progress report submissions and deadlines, and to document any deadline extensions. DEED's agencywide procedures should also provide direction to staff about how to withhold payments for grantees with past-due progress reports. We also recommend that DEED update its procedures to

identify roles and responsibilities of DEED staff, including program division staff and AFS, for adhering to OGM's updated grantee evaluation policy.

Further, DEED's program division directors should, at minimum, ensure that their procedures describe how program staff should implement key OGM oversight requirements. We recommend that DEED's divisions establish written procedures for providing progress report deadline extensions to grantees in line with OGM and DEED's requirements.

Finally, DEED's program division directors should ensure that monitoring procedures for grant programs adhere to OGM policies. For example, OBD's grant monitoring procedures should provide guidance to staff about what grant monitoring visits should include if the grantee has not yet begun construction on its project, or the project experiences delays.

RECOMMENDATION

DEED should ensure its program staff comply with all OGM requirements.

In particular, DEED's program staff should promptly (1) collect all required progress reports, (2) conduct all required monitoring visits, and (3) complete closeout evaluations for all grants and include all required information in those evaluations. If DEED finds that it cannot comply with these OGM requirements for a given grant program, it should request a policy exception.

DEED recently updated its payment request forms, requiring DEED program staff to certify (1) that the grantee does not have a past-due progress report or (2) that the grantee has received an extension for a progress report deadline. Moving forward, DEED should ensure that staff withhold payments from grantees that do not meet one of those conditions.

List of Recommendations

- The Legislature should direct the Department of Employment and Economic Development (DEED) to establish measurable performance goals for the Pathways to Prosperity and the Adult Career Pathways (ACP) legislatively named grant programs. (p. 18)
- DEED should use program data to establish measurable performance goals for these programs. (p. 18)
- DEED should complete the workforce program net impact analysis report as required by law. (p. 20)
- DEED should update its:
 - Agencywide policies and procedures to incorporate each of the Office of Grants Management's (OGM's) requirements.
 - Division-specific procedures to describe how program staff must oversee grants to ensure compliance with OGM requirements. (pp. 39-40)
- DEED should ensure its program staff comply with all OGM requirements. (p. 40)



OLA

Appendix A: Office of Grants Management Policies

Below, we summarize the Office of Grants Management (OGM) policies in place during the time period of our review. State agencies may request from OGM an exception to certain policies, which excludes a state agency from having to meet specific requirements in the policy for particular grant programs. We list policies in all grant stages (pre-award, active grant, and closeout), although this evaluation focused on activities in the active grant and closeout stages.

Office of Grants Management Policies

OGM Policy	Summary of Policy Requirements	2024 Amendments
Notice 08-03	<ul style="list-style-type: none">• For certain competitive grants, appropriate state agency staff must draft a request for proposal (RFP), which must incorporate grantee community input.• RFPs must clearly communicate grant program information to help potential applicants determine whether and how to apply.• RFPs must include OGM-specified essential elements (e.g., selection criteria and weight, deadlines).• State agencies must publicize competitive grant opportunities as broadly as possible; at a minimum, state agencies must post RFPs to their websites.	
Conflict of Interest 08-01	<ul style="list-style-type: none">• Grant reviewers must identify applicants with whom they have a conflict of interest, and complete and sign a disclosure form for each grant review.• State agencies must avoid, address, or resolve all conflicts of interest, both individual and organizational.• All state agency staff who are involved in a competitive grant review process must be made aware of actual, potential, disclosed, and evaluated conflicts of interest.• State agencies must document and maintain records of disclosed conflicts of interest and their resolution.	

Office of Grants Management Policies (Continued)

OGM Policy	Summary of Policy Requirements	2024 Amendments
<p>Competitive Grant Review 08-02</p>	<ul style="list-style-type: none"> • State agencies must select and rank grant review criteria before writing and circulating the RFP; the RFP must describe the selection criteria. • Criteria and scoring systems must identify how the state agency’s grant process will implement diversity in grant-making. • Competitive grant review processes must use the review criteria identified in the RFP and a standardized scoring system. • Grant review teams must meet to discuss applications and scores. 	
<p>Pre-Award Financial Review/Pre-Award Risk Assessment (Revised) 08-06</p>	<ul style="list-style-type: none"> • Before awarding a grant over \$25,000 to a nonprofit organization, the applicant must submit, and state agencies must review, a recent financial document from the applicant (either an internal financial statement, an IRS Form 990, or a certified financial audit) to ensure the applicant’s financial stability. • If state agencies have concerns, they must discuss the situation with the applicant before awarding the grant, and grant staff may include additional requirements in the grant contract agreement or other processes to address the concerns. • State agencies must record which financial document(s) they reviewed, their rationale, and their award decision. 	<ul style="list-style-type: none"> • Effective January 15, 2024, before awarding grants of \$50,000 or more, state agencies must complete a pre-award risk assessment (including a financial review) to ensure potential grantees have the ability to perform the required duties. • If the potential grantee does not have a history of performing similar duties, does not demonstrate their capability, or the state agency has other concerns, the state agency may require additional information to determine risks, create a risk mitigation plan, or not award the grant. • State agencies must include the pre-award risk assessment findings and results, and other relevant information in the grant file. • This policy replaces the previous policy on pre-award financial review.
<p>Grant Contract Agreements (Revised) 08-04</p>	<ul style="list-style-type: none"> • The grant contract agreement must include OGM-specified elements (e.g., scope and timeline for work, workplan, budget, and payment) and must conform to <i>Minnesota Statutes</i> 2022, 16B.98, subd. 5, “Creation and Validity of Grant Agreements.” • State agencies must encumber grant funds before executing the grant contract agreement. • The grant contract agreement may be considered effective only after both the state’s and grantee’s authorized representative(s) have signed it. 	<ul style="list-style-type: none"> • Effective April 1, 2024, the grant contract agreement must conform to <i>Minnesota Statutes</i> 2024, section 16B.98, subd. 5, “Creation and Validity of Grant Agreements,” including approval by the Commissioner of Administration. • The grant contract agreement must include additional conditions or requirements such as a risk mitigation plan per OGM Policy 08-06 on Pre-Award Risk Assessment, as applicable. • This policy replaces the previous policy on grant contract agreements.

Office of Grants Management Policies (Continued)

OGM Policy	Summary of Policy Requirements	2024 Amendments
<p>Single/Sole Source 08-07</p>	<ul style="list-style-type: none"> • State agencies must use competitively awarded grants as much as possible; if multiple entities can meet the grant's goals, state agencies must use a competitive process. • State agencies must document and retain the research and justification for use of a single source grant. • Someone independent of the grant manager must review and approve the Single and Sole Source Grant Justification Form. 	
<p>Payments 08-08</p>	<ul style="list-style-type: none"> • State agencies must specify grant payment method and schedule in the grant contract agreement or grant award notification and may not make payments until the grant contract agreement is fully executed. • Reimbursement is the preferred method for state agencies to make grant payments; grantee requests must correspond with their grant budget. • State agencies' authorized representative(s) must review grantee requests for reimbursement against grant budget, expenditures, and the most recent grant progress report. • State agencies must not make payments on grants with past-due progress reports, unless the grantee has a written extension. • State agencies must prepare and retain written justification or include justification in the grant contract agreement for advance payments. 	
<p>Reporting 08-09</p>	<ul style="list-style-type: none"> • State agencies must monitor grantee progress via at least annual written progress reports. • State agencies must establish a reporting schedule and requirements in the grant contract agreement. • State agencies must review submitted progress reports and follow up with the grantee regarding questions and concerns. 	

Office of Grants Management Policies (Continued)

OGM Policy	Summary of Policy Requirements	2024 Amendments
<p style="text-align: center;">Monitoring 08-10</p>	<ul style="list-style-type: none"> • State agencies should develop plans, procedures, and templates for monitoring visits. • State agencies must conduct at least one monitoring visit and one financial reconciliation on grants over \$50,000, and at least annual monitoring visits on grants over \$250,000. • State agencies with multiple grants of similar periods with the same grantee can do a risk assessment and only monitor a sample of grants. • State agencies should conduct monitoring visits in-person whenever possible, although telephone visits are permitted. • If state agencies are unable to perform monitoring, they must request an exception from OGM. • State agencies must schedule monitoring visits and give grantees adequate time and information to prepare. • State agencies should review financial and progress reports before monitoring visits. • State agencies must document monitoring visits and financial reconciliations. 	
<p style="text-align: center;">Legislatively Named Grants 08-11</p>	<ul style="list-style-type: none"> • State agencies must manage legislatively named grantees with the same level of oversight as other grants. • State agencies must require the grantee to submit a workplan and budget, and the state agency must use these documents to draft the grantee's duties in the grant contract agreement. • If the purpose, but not a specific grantee, is stated in law, state agencies must conduct either a competitive or single/sole source process to award the funds. 	
<p style="text-align: center;">Amendments (Revised) 08-12</p>	<ul style="list-style-type: none"> • State agencies must issue amendments for any changes to grant obligation, compensation, or expiration. • State agencies must document amendments using a fully executed grant contract agreement amendment. • Grant contract agreements and amendments may not exceed five years without written permission from the Commissioner of Administration. 	<ul style="list-style-type: none"> • Effective April 1, 2024, grant amendments must be approved by the Commissioner of Administration. • This policy replaces the previous policy on grant amendments.

Office of Grants Management Policies (Continued)

OGM Policy	Summary of Policy Requirements	2024 Amendments
<p>Fraud and Waste Reporting 08-05</p>	<ul style="list-style-type: none"> OGM must publicize its role as the central point of contact for questions and comments regarding fraud and waste; receive inquiries of grant fraud and determine the most appropriate course of action; track recurring themes; and address issues through policy, communications, and/or training. 	
<p>Grant Closeout Evaluation/Evaluating Grantee Performance (Revised) 08-13</p>	<ul style="list-style-type: none"> State agencies must consider a grant applicant's past performance before making a new grant award over \$5,000. State agencies should create a process to ensure specific grantee data are available for review. State agencies must share grant closeout evaluations with other state agencies upon request. 	<ul style="list-style-type: none"> Effective April 1, 2024, for grants \$25,000 and less, state agencies must evaluate and document the grantee's performance within 60 days of completion of grant requirements. State agencies must retain this evaluation report and share it with other state agencies upon request. For grants over \$25,000 issued on or after April 1, 2024, state agencies must submit a grantee evaluation report to the Commissioner of Administration. State agencies must submit the report within 60 days of completion of grant requirements. Grantees may respond to evaluations, and state agencies must maintain the response in the grant file. State agencies may not request an exception to the policy on evaluating grantee performance for grants over \$25,000 issued on or after April 1, 2024. This policy replaces the previous policy on grant closeout evaluation.

Notes: For simplicity, we use "state agencies" to refer to executive branch entities that award grants. State agencies may include executive branch agencies, boards, commissions, councils, authorities, and task forces.

Source: Office of the Legislative Auditor, review of OGM policies.



OLA

Appendix B: DEED Grantees

For this evaluation, we reviewed the Department of Employment and Economic Development’s (DEED’s) state-funded grant programs managed by (1) the Office of Adult Career Pathways (ACP) and (2) the Office of Broadband Development (OBD). We focused our evaluation on the Pathways to Prosperity competitive grant program and legislatively named grants managed by ACP. We also reviewed the Border-to-Border Broadband Development grant program managed by OBD.

This appendix consists of three tables. Exhibit B.1 lists all grantees who received a Pathways to Prosperity grant and Exhibit B.2 lists grantees for ACP legislatively named grants for fiscal years 2022 and 2023. Exhibit B.3 lists the grantees who received a Border-to-Border Broadband Development grant in Fiscal Year 2021 and Fiscal Year 2023.

Exhibit B.1

Pathways to Prosperity Grantees, Fiscal Years 2022-2023

Grantee	Number of Grants	Total Amount Awarded
American Indian Opportunities Industrialization Center	2	\$ 318,600
Anoka County Job Training Center	1	400,000
Avivo	1	400,000
CAPI USA	1	309,456
Career Solutions	1	275,000
Central Minnesota Jobs and Training Services, Inc.	1	150,000
City of Duluth Workforce Development	4	1,161,797
City of Minneapolis Employment and Training	1	247,504
Comunidades Latinas Unidas En Servicio (CLUES)	1	368,847
East Side Neighborhood Services	2	270,928
EMERGE Community Development	1	275,000
Goodwill-Easter Seals Minnesota	1	285,000
Hiawatha Valley Adult Education	2	800,000
Hired	2	800,000
International Institute of Minnesota	1	400,000
Jewish Family and Children’s Service of Minneapolis	1	200,000
Karen Organization of Minnesota	2	490,000
Lutheran Social Service of Minnesota	2	616,000
Minnesota Computers for Schools	1	400,000
Minnesota Valley Action Council	2	656,000
Northfield Healthy Community Initiative	1	131,450
Project for Pride in Living	2	662,931
Roseville Adult Learning Center	1	279,062
Rural Minnesota Concentrated Employment Program, Inc.	1	400,000
Southwest Minnesota Private Industry Council	1	400,000
St. Paul Public Schools	2	545,776
Twin Cities R!SE	1	273,806
Washington County Community Services	1	114,233
White Earth Tribal and Community College	2	707,610
Workforce Development, Inc.	2	696,000
YWCA of Minneapolis	1	275,000
YWCA of St. Paul	1	275,000

Source: Office of the Legislative Auditor, analysis of DEED grants award data.

Exhibit B.2

Adult Career Pathways Legislatively Named Grantees, Fiscal Years 2022-2023

Grantee	Number of Grants	Total Amount Awarded
American Indian Opportunities Industrialization Center	2	\$1,669,468
Avivo	1	1,235,000
Better Futures Minnesota	1	570,000
Center for Economic Inclusion	1	475,000
Goodwill-Easter Seals Minnesota	1	950,000
Hmong American Partnership	2	886,666
International Institute of Minnesota	1	665,000
Minnesota Diversified Industries	1	855,000
Minnesota Hmong Chamber of Commerce	1	240,000
Northgate Development, LLC	1	2,375,000
Project for Pride in Living	1	950,000
Propel Nonprofits	1	1,900,000
Summit Academy Opportunities Industrialization Center	2	2,549,166
Twin Cities RISE	1	1,330,000
Workforce Development, Inc.	2	1,425,000
YMCA of the North	1	570,000
YWCA of Minneapolis	1	285,000
YWCA of St. Paul	1	285,000

Source: Office of the Legislative Auditor, analysis of DEED grants award data.

Exhibit B.3
Border-to-Border Broadband Development Grants,
Fiscal Years 2021 and 2023

Grantee	Number of Grants	Total Amount Awarded
AcenTek	1	\$1,492,096
Albany Mutual Telephone	1	746,964
Arvig	3	1,548,781
Benton Cooperative Telephone Company	1	338,011
BEVCOMM	2	1,393,510
CenturyLink	1	465,814
Charter Communications, Inc.	7	3,153,757
Consolidated Telephone Company	1	350,805
Crosslake Communications	2	962,522
Frontier	1	829,800
Garden Valley Technologies	2	3,103,291
Gardonville Cooperative Telephone Association	5	3,857,513
Halstad Telephone Company	1	619,000
Hanson Communications, Inc.	2	5,172,714
Harmony Telephone Company	2	4,035,474
JTN Communications	1	113,076
KMTelecom	5	5,839,050
Lismore Cooperative Telephone Company	1	219,714
Mediacom Minnesota, LLC	7	9,079,118
Meeker Cooperative Light and Power Association	6	369,443
MiBroadband, LLC	1	1,173,330
Midcontinent Communications	4	3,255,924
Mille Lacs Energy Cooperative	1	198,607
Minnesota Valley Telephone Company	1	226,800
Nuvera Communications, Inc.	5	1,918,037
Otter Tail Telcom	1	2,331,792
Paul Bunyan Communications	1	311,254
Red River Communications	1	2,157,663
Runestone Telecom Association	1	1,463,259
Savage Communications, Inc.	5	3,175,124
Sytek Communications	1	1,048,668
West Central Telephone Association	1	465,050
Wikstrom Telephone Co., Inc.	1	490,997
Winnebago Cooperative Telecom Association	1	953,842
Winthrop Telephone Company, Inc.	1	716,000
Woodstock Telephone Company	2	1,658,747
Xfinity/Comcast Cable Communications, LLC	4	7,400,083

Source: Office of the Legislative Auditor, analysis of DEED grant award data.



OLA

March 17, 2025

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
140 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

Dear Auditor Randall:

Thank you for the opportunity to review and respond to the recommendations in your evaluation of grant management policy and procedures of two grant programs administered by the Minnesota Department of Employment and Economic Development (DEED). I appreciate your close review of grants administered by DEED's Office of Adult Career Pathways (ACP) and the Office of Broadband Development (OBD). The external review of this important work provides DEED the opportunity to improve our efforts and how we serve Minnesotans.

In everything we do, DEED's mission is central to the work: To empower the growth of the Minnesota economy, for everyone. DEED manages numerous grant programs focused on workforce and community development and is responsible for doing so with transparency, accountability, and efficiency. We do this to carry out the intent of the Legislature and to support our grantees in providing important services to their communities.

Response to the OLA's Findings and Recommendations

The Office of the Legislative Auditor's (OLA) report includes the following audit findings and recommendations related to DEED's administration of two grant programs. Following each finding is DEED's response.

OLA Finding 1

- DEED reports performance metrics for its workforce programs. However, without performance goals, the metrics that state law requires DEED to report for its workforce programs are not useful for measuring program success.

OLA Recommendations pertaining to Finding 1

- The Legislature should direct DEED to establish measurable performance goals for the Pathways to Prosperity and the Adult Career Pathways legislatively named grant programs.
- DEED should use program data to establish measurable performance goals for these programs.

Agency Response to Finding 1

- **Narrative Response:** DEED currently complies with the requirements set forth under 2024 Minnesota Statutes, section 116L.98, subdivisions 3-5, which requires DEED to implement a legislatively required Uniform Report Card and provide outcome measurement and reporting for adult workforce-related programs funded in whole or in part by state funds. The [Uniform Report Card](#) is available on DEED's website and available to the public.
DEED appreciates the recommendation that the Legislature should include more specific and measurable performance goals for workforce grants. DEED is committed to collaborating on statutory changes and implementing the legislature's additional requirements.
- **Current Status:** Unresolved
- **Corrective Action:** More specific and measurable performance goals may be determined based on new requirements set forth by the legislature.
- **Potential Barriers to Resolution: (optional):** Legislative action needed.
- **Completion Date:** To be determined in partnership with the legislature.
- **DEED Contact:** Marc Majors, Deputy Commissioner of Workforce Development

OLA Finding 2

- DEED has not complied with the requirement to analyze the impact of its workforce programs.

OLA Recommendations pertaining to Finding 2

- DEED should complete the workforce program net impact analysis report as required by law.

Agency Response to Finding 2

- **Narrative Response:** DEED acknowledges that it has not completed the workforce development program net impact analysis report and agrees with the OLA's recommendation.
- **Current Status:** Unresolved.
- **Corrective Action:** DEED is taking the necessary steps to complete this report.
- **Potential Barriers to Resolution: (optional) None**
- **Completion Date:** March 30, 2026
- **Person Responsible:** Marc Majors, Deputy Commissioner of Workforce Development

OLA Finding 3

DEED is responsible for supporting its grantees and for ensuring that they provide grant services as intended. The Office of Grant Management's (OGM) policies require DEED to monitor the work of its grantees and to evaluate grantee performance. For the grants reviewed:

- DEED collected about one-half of grantee progress reports according to the schedule specified in its grant contracts.
- DEED paid at least \$5 million to grantees with past-due progress reports, in violation of OGM policies.
- DEED monitored most of its adult workforce grants in our review.
- DEED did not monitor any of its broadband grants over \$250,000 within the first year of the grant, in violation of OGM policy.

- DEED did not complete grant closeout evaluations for many of the grants in our review; those it did complete lacked required information.
- DEED’s policies and procedures lack key details to support compliance with OGM requirements.

OLA Recommendations pertaining to Finding 3

- DEED should update its: (1) agencywide policies and procedures to incorporate each of OGM’s requirements, and (2) division-specific procedures to describe how program staff must oversee grants to ensure compliance with OGM requirements.
- DEED should ensure its program staff comply with all OGM requirements.

Agency Response to Finding 3

- **Narrative Response:** DEED agrees with the OLA’s findings related to grant oversight and the OLA’s recommendations. As is the case with many state programs implemented during the COVID-19 pandemic, DEED was confronted with unprecedented challenges in administering grant programs. Similar to other public entities, as well as business, non-profit, and community partners, the context in which the agency worked during the pandemic is important when reviewing administration of the grants. DEED was required to routinely and quickly pivot to deliver services to our customers – all while the state enterprise was adapting to staff shortages, COVID safety measures related to public health, remote work and ongoing uncertainty. Staff managed significant increases in work volume while adapting to a changing work environment and business processes.

During the COVID pandemic, DEED Workforce Development staff primarily conducted desk audits to protect the health and safety of staff and grantees. DEED also experienced staff turnover, which created challenges in completing monitoring of some of the grants during this timeframe. However, DEED continued with reimbursement contracts and, importantly, staff scrutinized invoices to ensure that all financial requests accurately reflected reasonable work performed by grantees.

While DEED agrees that on-site monitoring did not occur for the broadband grants over \$250,000 within the first year, DEED’s Office of Broadband Development (OBD) staff actively monitored broadband grantees and projects per the intent of grant management guidelines. This was done during the unprecedented context of the pandemic, often replacing physical site visits. Monitoring throughout this time include the review of progress reports and requests for reimbursement, answering grantee questions, and providing ongoing guidance. Of note, often the projects themselves were frequently impacted or delayed due to safety restrictions and supply chain or permitting delays, thereby reducing the activity of grantees in the first year. In the case of many projects within the first year, site visits would have discovered that no physical infrastructure work had been done – context that DEED staff was already aware of. However, regular and required monitoring did occur for all grants – both virtually and in-person – by the end of the grant period, leading to the successful completion of all contract project goals. OBD has also implemented changes over the last two years and continues to focus on improving documentation, updating forms and the use of available tools, as approved by OGM.

- **Current Status:** Partially Resolved.
- **Corrective Action:** Since the timeframe reflected in the audit report, DEED has aligned its forms with OGM. DEED has also implemented a revamped workforce grants monitoring process and has increased the number of staff to perform monitoring duties and functions. In the last two years, DEED has implemented a new Reimbursement Payment Request (RPR) template, which requires the agency to

proactively confirm and document the status of quarterly progress reports and ensure accurate close-out forms.

Further, DEED implemented a process for discontinuing payments if quarterly reports are not received in a timely manner in compliance with OGM policy. DEED is currently in the process of reviewing and updating all grants policies to ensure compliance with all legal requirements and OGM's policies and best practices are met.

- **Potential Barriers to Resolution: (optional):** None.
- **Completion Date:** December 30, 2025.
- **Person Responsible:** Kevin McKinnon, Deputy Commissioner of Economic Development, Marc Majors, Deputy Commissioner of Workforce Development, Julie Freeman, Chief Financial Officer.

In summary, addressing state grant oversight and reporting requirements is critical to helping DEED achieve its mission, and we appreciated the recommendations included in this report for improving DEED's grant oversight and program reporting requirements. Thank you for the opportunity to respond to findings in the report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Varilek', with a stylized, cursive flourish at the end.

Matt Varilek
Commissioner

Forthcoming OLA Evaluations

Department of Natural Resources Land Acquisition Guardianship of Adults

Recent OLA Evaluations

Agriculture

Pesticide Regulation, March 2020
Agricultural Utilization Research Institute (AURI), May 2016

Criminal Justice, Public Safety, and Judiciary

Driver Examination Stations, March 2021
Safety in State Correctional Facilities, February 2020
Guardian ad Litem Program, March 2018
Mental Health Services in County Jails, March 2016

Economic Development

Department of Employment and Economic Development Grants Management, March 2025
Minnesota Investment Fund, February 2018
Minnesota Research Tax Credit, February 2017
Iron Range Resources and Rehabilitation Board (IRRRB), March 2016

Education (Preschool, K-12, and Postsecondary)

Minnesota Department of Education's Role in Addressing the Achievement Gap, March 2022
Collaborative Urban and Greater Minnesota Educators of Color (CUGMEC) Grant Program, March 2021
Compensatory Education Revenue, March 2020
Debt Service Equalization for School Facilities, March 2019
Early Childhood Programs, April 2018
Perpich Center for Arts Education, January 2017
Standardized Student Testing, March 2017
Minnesota State High School League, April 2017
Minnesota Teacher Licensure, March 2016

Environment and Natural Resources

Aggregate Resources, January 2025
Petroleum Remediation Program, February 2022
Public Facilities Authority: Wastewater Infrastructure Programs, January 2019
Clean Water Fund Outcomes, March 2017
Department of Natural Resources: Deer Population Management, May 2016

Financial Institutions, Insurance, and Regulated Industries

Department of Commerce's Civil Insurance Complaint Investigations, February 2022

Government Operations

Grant Award Processes, April 2024
Oversight of State-Funded Grants to Nonprofit Organizations, February 2023
Sustainable Building Guidelines, February 2023
Office of Minnesota Information Technology Services (MNIT), February 2019

Health

Community Benefit Expenditures at Nonprofit Hospitals, February 2025
Minnesota Department of Health: Human Resources Complaint Management, January 2025
Emergency Ambulance Services, February 2022
Office of Health Facility Complaints, March 2018
Minnesota Department of Health Oversight of HMO Complaint Resolution, February 2016

Human Services

Department of Human Services Licensing Division: Support to Counties, February 2024
Child Protection Removals and Reunifications, June 2022
DHS Oversight of Personal Care Assistance, March 2020
Home- and Community-Based Services: Financial Oversight, February 2017

Jobs, Training, and Labor

Worker Misclassification, March 2024
Unemployment Insurance Program: Efforts to Prevent and Detect the Use of Stolen Identities, March 2022

Miscellaneous

Minnesota Housing Finance Agency: Down Payment Assistance, March 2024
RentHelpMN, April 2023
State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity, February 2023
Board of Cosmetology Licensing, May 2021
Minnesota Department of Human Rights: Complaint Resolution Process, February 2020
Public Utilities Commission's Public Participation Processes, July 2020
Economic Development and Housing Challenge Program, February 2019
Minnesota State Arts Board Grant Administration, February 2019
Board of Animal Health's Oversight of Deer and Elk Farms, April 2018
Voter Registration, March 2018

Transportation

Metro Mobility, April 2024
Southwest Light Rail Transit Construction: Metropolitan Council Decision Making, March 2023
Southwest Light Rail Transit Construction: Metropolitan Council Oversight of Contractors, June 2023
MnDOT Workforce and Contracting Goals, May 2021
MnDOT Measures of Financial Effectiveness, March 2019
MnDOT Highway Project Selection, March 2016

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LEGISLATIVE AUDITOR



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