

DEED AND THE ARRA

The Minnesota Department of Employment and Economic Development (DEED) has spent or made commitments to spend about \$287 million in federal stimulus funding, about 92 percent of the \$311 million that the agency received under the American Recovery and Reinvestment Act (ARRA) of 2009.



DEED has targeted the funding for sewer and water projects, unemployment insurance benefits, and employment and training programs in Minnesota.

“Our goal was to put this money to work as quickly as possible,” said DEED Commissioner Dan McElroy. “Communities and job seekers throughout Minnesota are seeing tangible results from this funding.” DEED applied the funding to current programs as part of an effort to significantly expand services from current levels. The funding is being spent under existing federal rules and meets job-tracking, transparency, and accountability requirements.

Here is a breakdown of how the funding has been committed so far:

Unemployment Insurance Program

DEED was allocated \$130 million to pay for unemployment insurance (UI) benefits for Minnesota residents who lost their jobs. All of that funding has now been paid. Another \$9.3 million has been targeted for technology and system upgrades.

The federal stimulus funds also support the payment of other UI benefits. DEED has implemented a \$25 supplemental payment to all UI recipients, which is expected to pay-out \$180 million in 2009. The stimulus package extends federal Emergency Unemployment Compensation benefits through the end of 2009, providing an additional \$390 million in benefits; pays for all of the state-extended benefits, which are typically paid half by the state and half by the federal government; and waives interest on state loans from the federal UI Trust Fund, which is used to pay state UI benefits through the end of 2010.

Public Facilities Authority

About \$94.6 million has been committed for 40 wastewater, sanitary sewer, and drinking water improvement projects in Greater Minnesota, and about \$250,000 is expected to be committed.

Small Cities Development Program

The full allocation of \$5.1 million has been committed for public infrastructure, multi-family housing, and rehabilitation projects in 15 communities in Greater Minnesota.

Dislocated Worker Program

About \$20.6 million has been committed to assist laid-off workers, with an emphasis on training to help them prepare for new careers.

Youth Employment Program

About \$16.1 million has been committed to pay for jobs in the public and private sectors for at-risk youth and to help train youth in various occupational skills. They will receive work-readiness certificates upon successful completion of the program. The funding has enabled 5,650 young people in Minnesota to find work this summer.

WorkForce Centers

About \$6.9 million has been committed, primarily for temporary staff members to assist customers with career planning and counseling, job searches, resume-writing, and other assistance. DEED has hired additional people to help staff WorkForce Centers statewide with ARRA funds.

Adult Employment and Training

About \$6.3 million has been committed for the program, which is designed to help people facing barriers to employment move from low-income jobs to middle-income jobs. Services include skills assessments, remedial education, job training and job-search guidance. Most services will be provided through WorkForce Centers.

Senior Community Service Employment Program

About \$544,000 has been committed for this program, which provides part-time community service assignments for people 55 or older who have earnings of less than 125 percent of federal poverty guidelines.

State Services for the Blind

About \$1.4 million has been committed. The program will use some of the funding to hire counselors and placement coordinators to help visually-impaired customers find and keep jobs. Other funding will be spent on technology and to help seniors who have difficulty living independently in their homes or communities.

Vocational Rehabilitation Services

About \$4.2 million has been committed for services for people with disabilities, including on-the-job training, work experience programs, and skills development and technology.

Centers for Independent Living

About \$1.4 million has been committed to support eight existing Centers for Independent Living, which provide skills training, peer counseling, transportation assistance, home and work modification, and many other services to people with disabilities to help them live independently in their community.