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DEED Puts Federal Stimulus Dollars to Work *Stimulus Funds Help Job Seekers and Communities*

ST. PAUL – Gov. Tim Pawlenty has signed legislation authorizing the spending of \$237 million in federal stimulus dollars for the state’s Unemployment Insurance Program and the Public Facilities Authority, which provides funding to communities to upgrade their water and sewer infrastructures. The Minnesota Department of Employment and Economic Development (DEED) plans to put the money to work immediately.

In addition, DEED has released more than \$50 million in other stimulus funds received under the American Recovery and Reinvestment Act of 2009.

“We are moving quickly to put people back to work and reinvigorate the economy,” said DEED Commissioner Dan McElroy. “Our main priority is to help communities and job seekers throughout the state.”

The funding will be spent primarily on unemployment benefits, community development activity, and employment and training programs that will help Minnesotans gain new job skills and return to the workforce. DEED will apply the funding to existing programs with a goal of significantly expanding services from current levels. The funding must be spent under existing federal rules and meet job-tracking, transparency and accountability requirements.

Most of the funding for programs and services aimed at helping workers, such as WorkForce Center activities or the Dislocated Worker Program, will be distributed statewide through local Workforce Service Areas and Workforce Investment Boards.

To date, funding has been allocated in the following areas:

- **Unemployment Insurance Program, \$130 million:** Funding will go into the state’s Unemployment Insurance Trust Fund, which pays weekly benefits to people who have lost their jobs.

The federal stimulus funds also support the payment of other Unemployment Insurance benefits. DEED has implemented a \$25 supplemental payment to all unemployment insurance recipients, which is expected to pay out \$180 million this year. The stimulus package extends federal Emergency Unemployment Compensation benefits through the end of the year, providing an additional \$390 million in benefits. The stimulus funds will

also pay for all of the state Extended Benefits, which are typically paid half by the state and half by the federal government.

- **Public Facilities Authority, \$107 million:** Funding will provide low-interest loans and grants for clean water and drinking water infrastructure projects in Minnesota. Twenty percent of the funding will be set aside for green infrastructure, energy and water-efficiency improvements, and other environmentally innovative projects. Funding will be awarded on a first-come, first-serve basis. Local units of government must submit proposals by May 1, 2009.
- **Dislocated Worker Program, \$21 million:** People who have lost jobs through no fault of their own will receive help returning to the workforce. Career planning and counseling, job search and placement services, training and other support services will be available. Additional staff will be hired for Rapid Response Teams, which work with employers and workers on-site when a company announces major layoffs.
- **Summer youth employment program, \$17.8 million:** The funding will pay for summer jobs in both the public and private sectors for at-risk youth. They will receive work-readiness certificates upon successful completion of the program.
- **WorkForce Center activities, \$6.9 million:** Plans include hiring additional staff to work at the agency's Minnesota WorkForce Centers for the next 18 months. Those positions will provide direct services to people who are receiving unemployment insurance benefits and are actively looking for work. Expanded services for employers and upgrades to the WorkForce Center system are also planned.
- **Adult employment and training, \$6.9 million:** The program is designed to help people facing barriers to employment move from low-income jobs to middle-income work, with a heavy emphasis on training. Services include skills assessments, job training and job-search guidance. Funding has been allocated to the 16 Workforce Service Areas; most services will be provided through the state's 47 WorkForce Centers.
- **Small Cities Development Program, \$5.6 million:** Communities will be receiving funding for housing, infrastructure and other economic development activity.
- **Senior Community Service Employment Program, \$543,700:** The program provides part-time community service assignments for people 55 or older who have earnings of less than 125 percent of federal poverty income guidelines.