

**Connecticut Department of Labor:
Overview of ARRA Funds for Employment and Unemployment Services.**

The American Recovery and Reinvestment Act (ARRA) of 2009 recognizes that helping to ensure the financial stability of our families, as well as employment and training, are two important components to the economic recovery of our state. In accordance with this Act, a portion of the ARRA funds is funding federal extensions to the unemployment insurance program, as well as a weekly \$25 stimulus payment being added to weekly benefit checks.

Funds are also being made available for additional employment and training programs. The Connecticut Department of Labor directly administers the unemployment insurance program to provide weekly benefit checks, and works in partnership with the Office of Workforce Competitiveness and the *CTWorks* system to ensure effective and results-oriented employment programs.

The following is an overview of Connecticut Department of Labor activities related to the American Recovery and Investment Act (AARA) funds:

The Connecticut Department of Labor's mission under the Employment and Training program is to help residents obtain and retain employment through a variety of programs and services that improve skills necessary to allow residents to meet their workforce goals. To provide these services in an effective manner, and to comply with federal Workforce Investment Act guidelines, the Labor Department works closely with representatives from the state's five Workforce Investment Boards (WIBs), partner agencies and other providers of services to assist those in those in need.

Under the ARRA reporting structure, a quarterly report is provided to the federal Office of Management and Budget (OMB) while a monthly report is provided to the state Office of Policy and Management (OPM). For purposes of reporting expenditure of ARRA funds to the federal OMB, the agency is required to group *Wagner Peyser Activities* and *Reemployment for UI Claimants* grants into one Employment Services (ES) report, while the three Workforce Investment Act (WIA) programs – *Youth Activities*, *Adult Activities*, and *Dislocated Workers* – are combined into another.

In an effort to mirror this federal reporting structure, this overview combines the Employment Services programs in a similar manner. Additionally, in accordance with federal instruction, the agency is not required to submit to OMB reports for any of its Unemployment Insurance benefits/extension programs. However, as part of this overview, the agency has included a summary of these programs. The chart noted under "Reporting Status Notes" at the end of this overview provides a comparison of the report structure for federal ARRA reports in comparison to state ARRA reports.

Description of Employment Services (ES) programs

**1). Wagner-Peyser Act Labor Exchange:
\$1,668,598 in ARRA funding**

**2). Reemployment Services for Unemployment Insurance Claimants:
\$2,789,996 in ARRA funding**

Connecticut has received \$4,449,594 to provide increased services to Unemployment Insurance (UI) claimants. A total of \$1,668,598 is designated specifically for increased labor exchange activities and services (Wagner-Peyser Labor Exchange), while \$2,780,996 is designated to provide increased reemployment services to UI claimants. CTDOL has taken steps to improve service delivery through this funding opportunity. These services are designed to prepare jobseekers for employment rather than create jobs.

The following represents Connecticut Department of Labor activities for Employment Services programs involving ARRA funds:

- Technology-based Labor Exchange services have been improved with the addition of several enhancements. The *CT JobCentral* on-line job bank was redesigned to allow for ease of access to an array of labor exchange needs for jobseekers and employers, including a highlighted field containing employment related announcements such as recent job postings, recruitments and job fairs. *CT JobCentral* is also host to the Rapid Reemployment Initiative pilot. This initiative assists with layoff aversion by allowing downsizing employers and their employees access to information about openings posted by employers who may be hiring.
- Connecticut has increased outreach to Unemployment Insurance (UI) claimants to provide reemployment services. Since February, ARRA funds have provided CTDOL with the ability to increase our capacity to select more UI claimants for services in our Career Centers. UI claimants have been served at a rate more than double for the same time period one year ago. CTDOL has also been able to partner with the State Librarian and several libraries throughout the state to provide outreach, including having the *Career Express* mobile unit present on-site at local sites throughout the state. To date the agency has served 1,524 jobseekers at 67 library events.
- Working with ARRA funds, the CT Labor Department has focused on increased assessments of skills to determine the need for more intensive level services and training services where appropriate. This concentrated effort has led to an increase of almost three times as many referrals to Workforce Investment Act (WIA) services and referral to training -- including WIA funded training -- than the same time period one-year ago.

Employment Services (ES) programs -- funds expended to date:
\$1,034,000 of ARRA funding

Projected activities through Dec. 31, 2009:

22 additional library events

An estimated 2,100 additional UI claimants to receive employment services

Description of Workforce Investment Act (WIA) programs

**1). Employment Training Services for Youth:
\$11,034,723 in ARRA funding**

**2). Employment Training Services for Adults:
\$4,385,149 in ARRA funding**

**3). Employment Training Services for Dislocated Workers:
\$14,884,070 in ARRA funding**

Connecticut has received \$30,303,942, provided through three funding streams noted above. The goal is to substantially increase the number of customers served, and to substantially increase the number and proportion of those customers who receive training that will lead to unsubsidized employment. This increase in service is in addition to those services available with regular non-ARRA WIA funds. The ARRA funding provides workforce investment activities that increase the employment, retention, and earnings of participants, and increases occupational skill attainment, with the goal of improving the overall workforce. The following is a summary of the services provided:

1.) Employment Training Services for Youth: Connecticut was awarded the ARRA funding to create summer employment opportunities for youth, including work readiness skills, with year-round youth activities also envisioned.

The Employment Training Services for Youth program represents some of the first job activities to be created in the state under ARRA and provided employment to approximately 4,100 youth.

Note: under federal USDOL – ETA guidelines, these youth positions must be calculated by a designated formula. Please refer to “Reporting Status Notes” at the end of this overview for additional information regarding this formula, which when applied to the numbers employed, equates to 575.09 jobs created.

2). Employment Training Services for Adults: Connecticut was awarded the ARRA funding to train unemployed adults and ensure that supportive services and needs-related payments are available to support the employment and training of priority populations. This includes recipients of public assistance, as well as other low-income individuals.

3.). Employment Training Services for Dislocated Workers: Connecticut was awarded the ARRA funding to train dislocated workers and assure that supportive services and needs-related payments that may be necessary for an individual’s participation in job training are a part of the dislocated worker service strategy.

Training services are targeted to demand occupations and may include training programs in Healthcare, Information Technology, Advanced Manufacturing, and Green-related occupations.

Service Delivery Approach:

Employment and training services are delivered through a system of One-Stop Career Centers within each Local Workforce Investment Area (LWIA). There are five LWIAs in Connecticut, with each administered by a Local Workforce Investment

Board (LWIB/Sub-recipient). Each local area establishes a One-Stop system to provide both core services and access to other employment and training services under the Act and other federal or state programs.

The majority of the funds are provided locally, using a mandated formula, with a portion set-aside at the state level for statewide activities, including administration and statewide Rapid Response services for dislocated workers.

Number of Individuals served:

Youth:

- A total of 4,073 additional youth have been provided summer job opportunities and work readiness skills.

Adults and Dislocated Workers:

- More than 900 additional dislocated workers and more than 400 additional adults have been enrolled in training and/or other workforce development activities to assist them in attaining employment.

- Other workforce development activities include core services, that are initial services and activities for WIA participants seeking employment. This may include staff-assisted job search, counseling, workshops, and job clubs. Intensive services are focused activities for WIA participants needing more than core services to obtain employment and may include comprehensive assessment, testing and case management.

- DOL has committed to WIA federal performance goals of 75% to 80% of adults and dislocated workers to be placed in full-time unsubsidized employment.

Workforce Investment Act (WIA) programs -- funds expended to date:
The state has drawn-down \$9,043,553 for the three programs: employment and training services for dislocated workers, low-income adults, and at-risk youth.

Description of Unemployment Insurance (UI) programs

In accordance with federal instruction, the agency is not required to submit to OMB reports for its Unemployment Insurance benefits/extension programs. However, as part of this overview, the agency has included a summary of these programs. The chart noted under "Reporting Status Notes" at the end of this overview provides a comparison of the report structure for federal ARRA reports in comparison to state ARRA reports.

As of 9/30/09, the total amount of UI benefits provided under ARRA, which includes Federal Additional Compensation (FAC), Federal Emergency Compensation (EUC08) and Federal Extended Benefits (EB) is \$374,784,910.

1). Unemployment Insurance Benefits:

- **Federal Additional Compensation (FAC)**

Provides an additional \$25 on every unemployment check. Under the stimulus, this additional \$25 will be in effect until the week ending 7/3/10. Since the additional \$25 payments are entirely funded by the federal government, neither employers nor the state are charged for this additional benefit. This additional \$25 is adding between \$2 to \$3 million the Connecticut economy each week.

**Funds provided to claimants through 9/30/09:
\$102,830,400**

- **Federal Emergency Compensation (EUC08)**

Provides a total of 33 weeks of unemployment insurance benefits to qualified claimants who have exhausted the 26 weeks of state unemployment insurance benefits. Under the stimulus program, the 100% federally-funded EUC08 program will apply to claims filed by Dec. 31, 2009, with payments on those claims ending on May 31, 2010.

**Funds provided to claimants through 9/30/09:
\$674,228,996.74**

Note: The number above notes all of EUC08 payments made to claimants since EUC08 was enacted in 2008. The EUC08 payments attributable to ARRA legislation are only those tied to EUC08 claims initiated March 29, 2009 and later. That amount, reported on a monthly basis, is \$194,409,212 as of 9/30/09.

- **Federal Extended Benefits (EB)**

Provides 13 weeks of unemployment insurance benefits to qualified claimants who have exhausted the 26 weeks of state unemployment insurance benefits and 33 weeks of EUC08. EB is normally funded by 50% state funds and 50% federal funds, but under stimulus legislation, these benefits are 100% federally funded through the end of 2009. Government and municipal employers and federally-recognized Indian tribes, however, continue to be charged 100% for EB.

**Funds provided to claimants through 9/30/09:
\$77,545,298**

2). Unemployment Insurance Modernization Act (UIMA)

\$87,000,000

Federal money provided to states for the Trust Fund. Connecticut was eligible to receive \$87 million by meeting certain requirements, and received the first 1/3 of this amount (\$29.3 million) earlier this year and received the additional \$58.6 million in May 2009. The \$87 million has been deposited to the Trust Fund and was used to pay benefits. The state could appropriate some of the funding for administrative needs, including claims processing, but elected to use 100% of the funds for benefits.

3). UI Administrative – Special Federal Transfer

\$6,272,238

This one-time transfer from the federal Employment Security Account (ESSA) is for administrative costs associated with the state's unemployment insurance operations.

4). Expansion of Trade Adjustment Assistance (TAA) and Alternative Trade Act Assistance (ATAA) Programs

The stimulus bill expands federal funding for workers who have been displaced in the trade and manufacturing sectors due to what is commonly referred to as outsourcing or off-shoring. With a goal to improve employability for those likely to need retraining and, in some situations, relocation, funding for the Trade Act Assistance (TAA) program has been increased nationwide by 160% to \$575 million per fiscal year. The increase in Trade Act funding and program parameters makes training, health care and reemployment benefits more accessible and flexible. The bill also reauthorized TAA programs through Dec. 31, 2010. To apply for Trade Act services and benefits, a group of affected workers must first file a petition with the U.S. Department of Labor's Division of Trade Adjustment Assistance requesting certification as workers adversely impacted by foreign trade. If certified, each worker in the group may then apply for individual services and benefits. The Connecticut Department of Labor often works with companies to assist them with the completion and filing of the petition. Additional information on the program and how to apply for assistance can be found on the following web site:

www.doleta.gov/tradeact/benefits.cfm

5). Expansion of the WOTC Tax Credit

The Work Opportunity Tax Credit (WOTC) program has been expanded to include two more categories of workers – “unemployed veterans” and “disconnected youth.” Employers who hire workers from these two groups are eligible to receive up to a \$2,400 tax credit per employee. Disconnected youth are defined as between the ages of 16 and 24 who were not attending school within six months of their hire date. Prior to the stimulus bill expansion, the tax credit program applied to eight categories of workers, with employers eligible to apply for credits ranging from \$1,200 to \$5,000 a year per employee. More information on the program can be found on the following web site:

<http://www.ctdol.state.ct.us/progsupt/taxcredits/default-bus.htm>

Reporting Status Notes

1). OMB Section 1512 reports: The federal Office of Management and Budget (OMB) has developed a new report for reporting stimulus activity. The OMB Section 1512 reports are used by agencies to provide an overview and some detail regarding expenditure of stimulus funds.

The CT Labor Department's October 2009 OMB Section 1512 reports were submitted on Oct. 9, 2009. It was subsequently determined that the grant award numbers used in the reports were not correct. To correct a technical error in any grant award number field, the original submittal cannot be revised and the original submittal must be deactivated and a new revised report is uploaded in its place.

CTDOL resubmitted its correct reports Oct.16, 2009. Although the original report was submitted on a timely basis, due to this technical correction, OMB can consider these reports to be late. This explanation of the reasons for the re-submittal was provided with the Oct. 16, 2009 re-submittal.

2). Youth Positions: Under federal USDOL – ETA guidelines, youth positions must be calculated by a designated formula. Following the initial quarterly report, the agency was instructed to change the denominator in the calculation from 520 hours to 1040 hours. That change has cut the calculation initially reported from 1,150.17 to 575.09. This estimate of the number of jobs funded by the Recovery Act is expressed as “full-time equivalents (FTEs) and calculated as total hours worked (paid), divided by the number of hours in a full-time schedule, per USDOL guidance. Youth worked between 20 to 25 hours per week over a five to six week period. Based on this methodology, the jobs created are less than the approximately 4,100 that were placed in jobs.

3). UI Reporting: In accordance with federal instruction, the agency is not required to submit to OMB reports for any of its Unemployment Insurance benefits/extension programs. However, as part of this overview, the agency has included a summary of these programs. OMB also requires that certain programs be combined for reporting purposes. This chart provides a comparison of the report structure for federal ARRA reports in comparison to state ARRA reports.

Program	Federal report to OMB	State report to OPM
ES Wagner-Peyser	Combined with ES Reemployment programs	Separate reporting
ES Reemployment of UI Claimants	Combined with ES Wagner-Peyser programs	Separate reporting
WIA Youth	Combined with WIA Adult and Dislocated Worker programs	Separate reporting
WIA Adult	Combined with WIA Youth and Dislocated Worker programs	Separate reporting
WIA Dislocated Worker	Combined with WIA Youth and Adult programs	Separate reporting
UI Admin Special Transfer	Report not required	Separate reporting
UI Modernization Act	Report not required	Separate reporting
EUC08 Extension program	Report not required	Separate reporting
Federal Additional Compensation	Report not required	Separate reporting
Temp Full Funding EB	Report not required	Separate reporting

4). WIB reporting: To complete the Employment Services (ES) report in a timely manner, the Connecticut Department of Labor has five sub-recipients (the Workforce Investment Boards or WIBs) that provide information for reporting purposes. Working with these WIBs, employment and training services are delivered through a system of One-Stop Career Centers within each Local Workforce Investment Area (LWIA). Each local area establishes a One-Stop system to provide both core services and access to other employment and training services under the Act and other federal or state programs. The agency does anticipate revisions in the report due to differences in interpretation of some of the items contained in the report.