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# **A Summary of Hennepin County American Recovery and Reinvestment Act Reporting For the Quarter Ending September 30, 2009**

**Hennepin County Board Update**

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*October 27, 2009*



**Hennepin County Recovery and Reinvestment**



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### ***Report prepared by Hennepin County Research, Planning & Development at the request of the Hennepin County Stimulus Team***

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The purpose of this report is to **notify the Hennepin County Board that Hennepin County has complied with Recovery Act reporting requirements as described in Section 1512 of the American Recovery and Reinvestment Act** and to provide the board with a summary of the data and information Hennepin County departments that are direct recipients of federal Recovery Act funds reported for the quarter ending September 30, 2009. This is the first in a series of quarterly reports about Hennepin County's use of Recovery Act funds.<sup>1</sup>

## **The American Recovery and Reinvestment Act of 2009 and reporting requirements**

In February 2009, Congress passed, and the President signed into law, the American Recovery and Reinvestment Act of 2009. In addition to creating and saving jobs, and spurring economic activity, another goal of the Recovery Act is to foster unprecedented levels of accountability and transparency in government spending.

Section 1512 of the Act requires any entity that receives Recovery funds directly from the federal government to submit a report no later than 10 days following the end of each calendar quarter that contains:

- The total amount of Recovery funds received
- The amount of Recovery funds received that were expended or obligated to projects or activities
- A detailed list of all projects or activities for which Recovery funds were expended or obligated
- An estimate of the number of jobs created or retained by the project or activity
- The purpose, total cost and rationale for infrastructure investments made with funds made available by the Act
- Detailed information about any sub-grants or sub-contracts awarded by direct recipients of Recovery funds

The first Recovery Act reports were due October 10, 2009 – 10 days following the close of the quarter ending September 30, 2009.

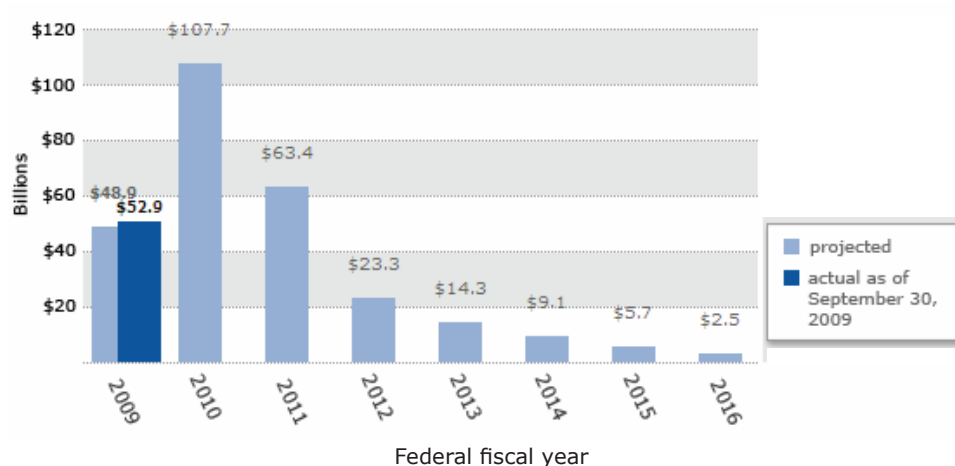
## **Overview of federal Recovery Act outlays**

The Recovery Act of 2009 is estimated to cost about \$787 billion, of which about \$280 billion will be administered through states and local governments.<sup>2</sup>

According to the Government Accountability Office, as of September 30, 2009, the Department of Treasury paid out \$52.9 billion of the \$280 billion in Recovery Act funds for use in states and localities during federal fiscal year 2009 – exceeding the initial estimate of almost \$49 billion for federal fiscal year 2009. More than three-quarters of Recovery Act outlays in fiscal year 2009 were provided through the Increased Medicaid Federal Medical Assistance Percentage (FMAP) and the State Fiscal Stabilization Fund (SFSF), administered by the Department of Education.<sup>3</sup>

The Government Accountability Office (GAO) is projecting that the majority of Recovery Act funds for use in states and localities will be paid out during federal fiscal year 2010, with projected outlays doubling to \$107.7 billion. The GAO projects that Recovery Act outlays will decline in federal fiscal year 2011 to \$63.4 billion. Recovery Act funding for states and localities is projected to taper off in fiscal years 2012 through 2015, and end in 2016.<sup>4</sup>

**Figure 1. Projected vs actual federal outlays to states and localities**



Retrieved October 15, 2009, from <http://www.gao.gov/recovery/>

Source: GAO analysis of data from CBO, Federal Funds Information for States, and Recovery.gov

## Hennepin County Recovery Act reporting requirements

The following county departments are direct recipients of federal Recovery Act funds and **are required to submit reports** detailing their use of Recovery funds:

Recipient department	Project name or title	Total amount of award
Housing, Community Works and Transit	Title 1 of the Housing & Community Development Act: Community Development Block Grant Program (CDBG-R)	\$649,439
County Administration	Hennepin County FY09 Justice Assistance Grant (JAG) Stimulus Projects	\$5,763,414
Sheriff	Reduce DNA Backlog in Sheriff's Crime Lab	\$1,133,972
Property Services	Recovery Act: Hennepin County Energy Efficiency and Conservation Block Grant (EECBG) Energy Projects	\$2,640,600
Environmental Services	Brownfield Cleanup Assistance	\$1,800,000
Human Services and Public Health (HSPHD)	Hennepin County Homeless Prevention and Rapid Re-Housing (HPRP) Program <sup>5</sup>	\$993,011
	ARRA - Capital Improvement Program, Health Care for the Homeless	\$426,890
	ARRA - Increase Services to Health Centers (HSPHD)	\$158,323
NorthPoint Health and Wellness Center	ARRA - Increase Services to Health Centers (Northpoint)	\$339,007
	ARRA - Capital Improvement Project (Northpoint)	\$989,515
<b>Total</b>		<b>\$14,894,171</b>

Hennepin County departments that are sub-recipients of Recovery Act funds are not required to report directly to the federal government, unless delegated that responsibility by the direct recipient of Recovery Act dollars. A sub-recipient is an organization that is awarded funding by an entity directly receiving federal funds to support the implementation and performance of a project or program for which the primary recipient received funding.

None of the entities for which Hennepin County departments are sub-recipients of Recovery Act funding have delegated reporting responsibility to the county. Instead, sub-recipient county departments report to the direct recipients, which, in turn, report to the federal government.

County departments acting as vendors for primary recipients of Recovery Act funds are also not required to report directly but may provide information to the direct recipient to support their reporting.

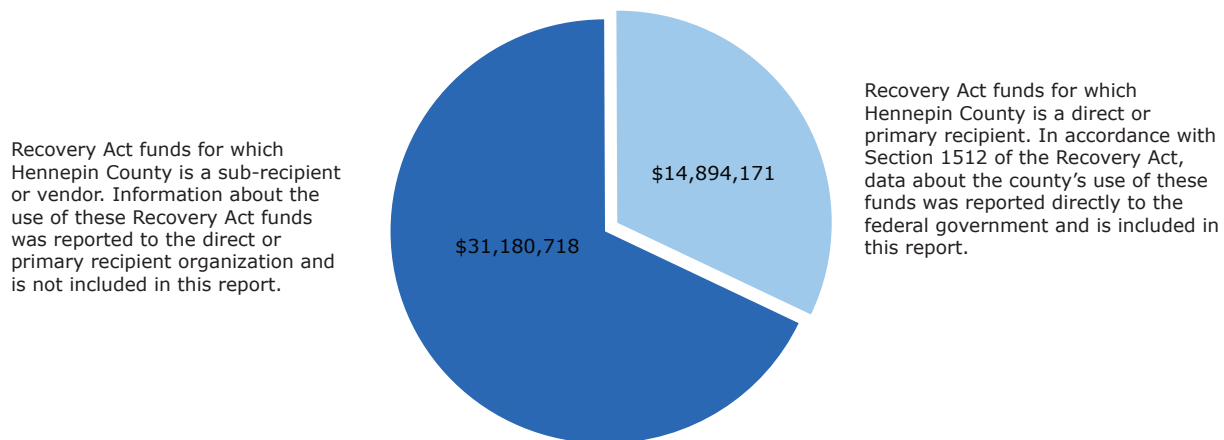
The following Hennepin County departments are sub-recipients or vendors for Recovery Act projects managed by other organizations and **are not required to submit reports directly to the federal government:**

Sub-recipient/ vendor department <sup>6</sup>	County role: Sub-recipient or vendor	Direct/primary recipient	Project name or title	Total amount of award
Hennepin County Attorney's Office	Sub-recipient	Housing Preservation Project	Reducing Mortgage Fraud and Crime Related to Vacant Properties	\$1,378,412
		Fourth Judicial District Court	Increasing Access to Orders for Protection at the Domestic Abuse Service Center	\$26,000
Human Services and Public Health Department	Sub-recipient	City of Minneapolis	Homeless Prevention and Rapid Re- Housing (HPRP) Program	\$5,295,902
		Minnesota Department of Employment and Economic Development	Workforce Investment Act Adult, Dislocated Worker, Year-round Youth, Youth Summer and Youth Special Needs	\$3,087,404
	Vendor	Minnesota Department of Human Services	Financial Help for Families Through Child Support	\$1,500,000
			Fiscal Relief Through Temporary Federal Medical Assistance Percentage (FMAP) Increase	\$4,200,000
			TANF Emergency Funds	\$4,500,000
Transportation	Sub-recipient	Minnesota Department of Transportation	Lowry Avenue Bridge Replacement	\$10,000,000
			Connecting Cedar Lake to Transit/Ballpark	\$1,193,000
<b>Total</b>				<b>\$31,180,718</b>

## Total Recovery Act funds committed to Hennepin County and county role

**Figure 2. Recovery Act funds committed to Hennepin County by county role: Direct/primary recipient or sub-recipient or vendor**

Total Recovery Act funds awarded to Hennepin County: \$46,074,889



As of September 30, 2009

	Hennepin County as direct or primary recipient	Hennepin County as sub-recipient or vendor	Total
Number of Recovery Act projects awarded funding	10	9	19
Total Recovery Act funds awarded	\$14,894,171	\$31,180,718	\$46,074,889
Total Recovery Act funds received/invoiced	\$1,491,735*	N/A+	\$1,491,735*
Total Recovery Act funds expended	\$1,564,284	N/A+	\$1,564,284
Number of jobs created/retained	93	N/A+	93
Number of sub-recipients	22	N/A+	22
Number of vendors	7	N/A+	7

\* Total Recovery Act funds expended exceed total funds received because Hennepin County is awaiting federal reimbursement for some Recovery Act grant expenditures.

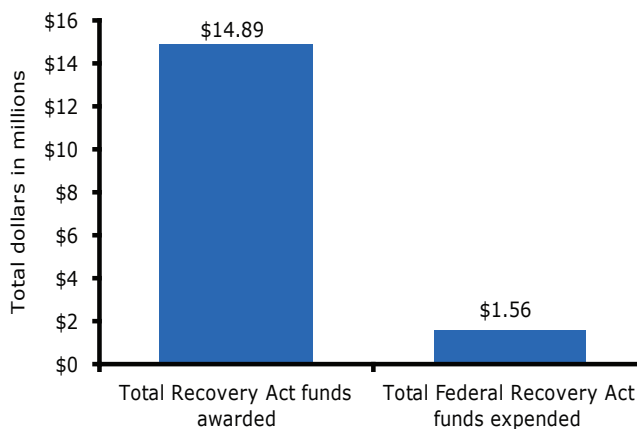
+ Data for Recovery Act-funded projects for which Hennepin County is a sub-recipient or vendor was reported to the organizations that are direct recipients of federal funds and is not included in the summary of Hennepin County reported data in this report.

## Summary of Hennepin County reported data

### Total Recovery funds awarded and expended

As of September 30, 2009, seven Hennepin County departments had received notification that they had been awarded Recovery Act grants for 10 projects or programs totaling \$14.89 million. Of the total Recovery Act funds awarded, the county had received and expended about 10 percent of the funds as of September 30.

**Figure 3. Total Recovery Act funds awarded and expended as of September 30, 2009**



### Project status

Hennepin County Recovery Act projects are in their early stages. Of the 10 Hennepin County Recovery Act projects submitting reports for the quarter ending September 30, 2009, seven (70 percent) are less than 50 percent completed and three (30 percent) are not yet started.

The earliest Hennepin County received notification it would receive funding made available by the Act was March 27, 2009, and the most recent notification the county received was September 1, 2009. Provisions included in the Recovery Act that require competitive bidding for all Recovery-funded projects and inclusion of specific language into sub-recipient and vendor contracts, the need to comply with Davis-Bacon Act prevailing wage and Buy American requirements, as well as internal county processes for accepting grant funds and negotiating contracts have affected the county's spending timeline for Recovery Act dollars.

### Jobs created or retained

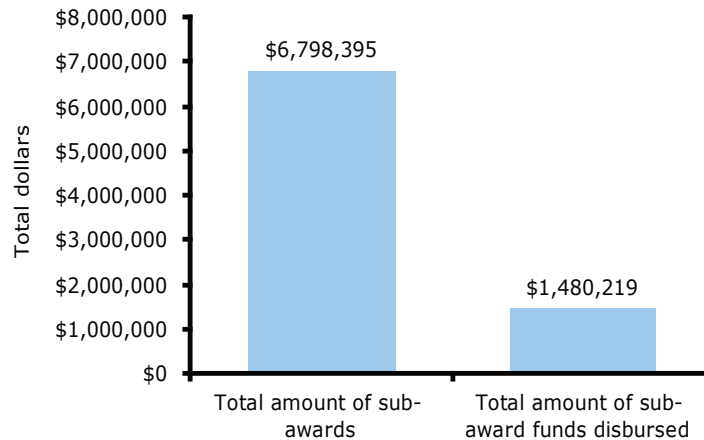
The federal government requires recipients of Recovery Act funding to report the number of jobs created with Recovery Act funds based on a mathematical calculation that results in the number of jobs expressed in terms of full-time equivalents or annual

FTEs. Hennepin County reported that the Recovery-funded projects for which the county is a direct recipient of federal funds created or retained approximately 93 full-time equivalent (FTE) jobs for the quarter ending September 30, 2009. The vast majority of these jobs were retained through a single sub-recipient agreement with the City of Minneapolis, which retained 87 police officers using Recovery funds passed to the city as sub-recipients of Hennepin County FY09 Justice Assistance Grant (JAG) dollars.

**Hennepin County Recovery Act funded projects with sub-recipients**

Three Hennepin County Recovery-funded projects or programs have sub-recipients. Hennepin County reported disbursing more than \$1.4 million in Recovery funds to 11 sub-recipient organizations for the quarter ending September 30, 2009. Hennepin County reported a total of 22 sub-recipients for Recovery-funded projects for which Hennepin County is the direct recipient of federal funds but as of September 30, 2009, no funds had been disbursed to the remaining 11 sub-recipients.

**Figure 4. Total amount of Recovery Act sub-awards and sub-award funds disbursed reported for the quarter ending September 30, 2009**



The following Hennepin County Recovery Act-funded projects have sub-recipients:

County recipient department	Project name or title
Housing, Community Works and Transit	Title 1 of the Housing & Community Development Act: Community Development Block Grant Program (CDBG-R)
County Administration	Hennepin County FY09 Justice Assistance Grant (JAG) Stimulus Projects
Human Services and Public Health (HSPHD)	Hennepin County Homeless Prevention and Rapid Re-Housing (HPRP) Program

### **Hennepin County Recovery Act funded projects with vendors**

Four Hennepin County Recovery-funded projects or programs will use vendors to complete aspects of the project or program for which the county received funding. Hennepin County reported disbursing \$52,696 in Recovery funds to seven vendors for the quarter ending September 30, 2009.

The following Hennepin County Recovery Act-funded projects have vendors:

<b>County recipient department</b>	<b>Project name or title</b>
Human Services and Public Health (HSPHD)	ARRA - Capital Improvement Program, Health Care for the Homeless
	ARRA - Increase Services to Health Centers (HSPHD)
NorthPoint Health and Wellness Center	ARRA - Increase Services to Health Centers (Northpoint)
	ARRA - Capital Improvement Project (Northpoint)

### **Hennepin County Recovery Act funded projects and programs that include infrastructure expenditures**

Three Hennepin County Recovery Act-funded projects or programs will include expenditures on infrastructure. Although different federal granting agencies define infrastructure in slightly different ways, in general, infrastructure investments include support for tangible assets or structures such as roads, public buildings, mass transit systems, water and sewage systems, communication and utility systems. Hennepin County reported that it has not yet expended any Recovery Act funds on infrastructure investments for the quarter ending September 30, 2009.

### **Featured project**

Project name: Hennepin County FY09 Justice Assistance Grant (JAG) Stimulus Projects

Total award: \$5,763,414

Total Recovery funds received/invoiced: \$1,480,219

Total Recovery funds expended: \$1,480,219

Jobs created/retained for quarter ending 9/30/09: 88

Activities completed for quarter ending 9/30/09: Project activities for the quarter ending September 30, 2009 include:

- Brooklyn Center purchased Tasers, software and replaced equipment in 15 squad cars,
- Champlin used JAG funds towards the purchase and set-up of a squad car,
- Eden Prairie purchased software and hardware, and retained employment of seasonal park rangers,
- Edina stationed law enforcement officers at a suburban mall to curb incidents,

- Golden Valley purchased a wireless communication security system, electronic roll-call technology, and Homicide Cold Case Detectives provided 84 hours of overtime,
- Hopkins replaced in-car camera systems for 10 squad cars, replaced cameras and recording system for interview rooms, jail and police facility,
- Maple Grove purchased USB hubs for 25 squad cars,
- Minneapolis retained the jobs of 87 police officers,
- Minnetonka purchased two police patrol bicycles,
- Robbinsdale retained 1.1 police officers,
- St. Louis Park retained the services of school liaison officers who provide services to all school district buildings, administrative staff and teachers.

## Endnotes

- 1 This report only includes reporting data for Hennepin County programs that are direct or primary recipients of American Recovery and Reinvestment Act funds and are, therefore, required to report data quarterly directly to the federal government as described in Section 1512 of the Recovery Act. This report does not include data reported for Recovery Act-funded projects for which Hennepin County is a sub-recipient or vendor for projects administered by other organizations.
- 2 U.S. Government Accountability Office. (2009, April 23). *As initial implementation unfolds in states and localities, continued attention to accountability issues is essential*, GAO-09-580. Retrieved October 9, 2009, from <http://www.gao.gov/new.items/d09580.pdf>
- 3 U.S. Government Accountability Office. (2009, September 23). *Funds continue to provide fiscal relief to states and localities, while accountability and reporting challenges need to be fully addressed*, GAO-09-1016. Retrieved October 9, 2009, from <http://www.gao.gov/new.items/d091016.pdf>
- 4 U.S. Government Accountability Office. (n.d.) *GAO tracks Recovery Act spending*. Retrieved October 15, 2009, from <http://www.gao.gov/recovery/>
- 5 Hennepin County Human Services and Public Health Department is both a direct recipient of federal Recovery Act Homeless Prevention and Rapid Re-Housing funds and a sub-recipient for the City of Minneapolis' Recovery Act Homeless Prevention and Rapid Re-Housing dollars. Per the sub-grantee agreement, Minneapolis staff are responsible for reporting on Homeless Prevention and Rapid Re-Housing Recovery funds the city received directly from the federal government. Hennepin County HSPHD staff provides Minneapolis staff with information to help them successfully comply with Recovery Act reporting requirements.
- 6 Vendor and sub-recipient use of Recovery Act funds for projects in this table is reported by the direct or primary recipient of Recovery Act funds, using information provided by Hennepin County departments that are sub-recipients or vendors. As Hennepin County did not report data directly to the federal government for these projects, data reported to the federal government for these projects by the direct or primary recipient organization is not included in this report.