

Summary of Federal Jobs Related Legislative Activity

H.I.R.E. bill H.R.2847 was signed into law March 18.

The H.I.R.E bill is one of several job creation bills that have been considered at the federal level. The key provisions of the bill involve tax incentives for business that hire unemployed workers. These tax incentives total \$13 billion over 10 years. The bill includes a crackdown on overseas tax havens and delay in tax breaks for foreign interest payments to offset the cost of the bill.

In addition there are two components of the bill that will directly benefit the City.

Transportation funding:

- Extends surface transportation programs through December 31, 2010, while Reauthorization efforts for that program continue. The bill keeps the current provisions of the program, however, and does not include any revisions to shift toward a “fix it first” policy. The City will need to continue to seek such changes as part of the reauthorization.
- Shifts \$20 billion from the general treasury to the Highway Trust Fund, to address the interest that was not collected in the fund in the recent past.

Lower Interest Bonds:

- Extends the Build America Bonds direct payment program to Qualified School Construction Bonds, Qualified Zone Academy Bonds, Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds. Under that program, local governments receive subsidies to offset interest paid on the bonds, reducing our cost of borrowing for important capital projects.

The HIRE Bill does not include other provisions that were originally part of the Jobs for Main Street Act, such as extending Unemployment Insurance, funding for summer jobs or job training, or direct support to protect critical local government jobs. Other bills are pending that address some of these issues.

Local Jobs for America Act H.R. 4812 was introduced on March 10.

The Local Jobs for America Act authorizes \$100 billion over two years to preserve and create local government jobs. Specifically the Act:

- Provides \$75 billion over 2 years to cities
- Cities over 50,000 would receive the funding directly
- Distribution based on number of unemployed (50 percent), poverty (25 percent), and population (25 percent).
- Cities can use up to 50% to retain employees that might otherwise be let go, up to 25% to support local CBOs that provide needed services to hire people, and up to 25 % to hire new employees.
- No local match required.
- Another \$23 billion to states for hiring and re-hiring firefighters, police officers, and education personnel.

Disaster Relief and Summer Jobs Act – Supplemental Appropriations – passed House March 24.

- Adds \$600 million to summer youth activities through the Workforce Investment Act of 1998
- This is half of the ARRA funding level and the WIA provisions only allow funds to be used up to age 21, not 24 as under ARRA.