

# LOCAL JOBS FOR AMERICA ACT H.R. 4812

*Our nation is going through one of the most difficult economic times in its history. We must do everything to help create jobs for those who are struggling to support their families. At the same time, the recession is forcing states and municipalities to cut jobs that are critically important – teachers, police, firefighters, childcare workers, and others. The Local Jobs for America Act will provide our economy a shot in the arm by putting a million people to work by restoring these services in local communities.*

## **The Local Jobs for America Act will create a million public and private jobs in local communities this year.**

Support will be targeted directly to states and municipalities with the greatest number of people out of work to restore important local services.

## **The Local Jobs for America Act will help ensure that local communities can still operate essential services.**

Because of the recession, many local communities have cut back on education, public safety, childcare, health care, education and transportation. As a result, families who rely on these services are suffering the cost of these cutbacks.

## **This bill will help prevent state and local tax increases.**

By supporting the services local communities deem most necessary, the bill will help local governments avoid having to choose between eliminating services and raising taxes.

## **Creating local jobs will stimulate local businesses and create more jobs in the local economy.**

By increasing employment in local communities, families will be able to start spending again at their neighborhood businesses and favorite restaurants. This will help spur additional jobs for local small businesses.

## **The Local Jobs for America Act will fund salaries for private sector on-the-job training to help local businesses put people back to work.**

Specifically, the Local Jobs for America Act invests:

- \$75 billion over two years to local communities to hire vital staff
- Funding for 50,000 on-the-job private-sector training positions

The bill also includes provisions already approved by the House:

- \$23 billion this year to help states support 250,000 education jobs
- \$1.18 billion to put 5,500 law enforcement officers on the beat
- \$500 million to retain, rehire, and hire firefighters

# FACT SHEET

## *Key details of the bill are as follows:*

- The bill would provide **\$75 billion over two years** (\$37.5 billion in year one, and \$37.5 billion in year two) to local governments, community based organizations, and states to save and create local jobs.
- The U.S. Department of Labor would administer the program.
- The **funding distribution mechanism** is based on the Community Development Block Grant program (CDBG) – every city with a population of 50,000 or more would be eligible to receive DIRECT FUNDING. Cities with a population below 50,000 would also be eligible to receive funding, only passed through the states.
- As with CDBG, 70 percent of the funding would be for direct entitlement cities, and 30 percent would be for state pass-through.
- Though the distribution mechanism is based on CDBG, the formula is **not** the same. This formula is based on unemployment numbers (50 percent), poverty level (25 percent), and population (25 percent).
- Each city could use up to 50 percent of the funding to retain employees that might otherwise lose their jobs because of budget shortfalls.
- Up to 25 percent can be given by a city to local community based organizations to hire employees to provide services or functions not customarily provided by local government employees.
- If a city desires, the remaining funding can be used to hire new city employees or rehire those recently let go. However, there is **no** requirement that a city use this part of the program.
- A city can use up to 5 percent of the funding for administration of the program.
- This program has **NO LOCAL MATCH** requirement.
- There is no requirement to retain employees once the funding runs out. There would be two years of funding, and then it would be up to a city to either retain or not retain employees funded by the program based on need and local budgets.
- Employees would have to be hired full-time with benefits, under existing contracts or agreements. The federal funding can be used to cover all costs, including salaries and benefits.
- There is no cap on per-employee costs, however no more than 20 percent of the funds can be used for management employees.
- The bill also provides \$23 billion to help states support an estimated 250,000 education jobs, provides \$1.18 billion to put 5,500 law enforcement officers on the beat, and allocates \$500 million to hire and retain fire fighters.
- Finally, the bill provides \$500 million for approximately 50,000 additional on-the-job training positions slots to help private business expand employment.