

FEDERAL JOBS LEGISLATION AND COUNTY FISCAL RELIEF



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REQUESTED ACTIONS: Extend federal support for state and local job creation and fiscal relief efforts. CSAC supports investment in the following key areas:

- **Highway and Transit Funding:** Adopt the highest possible funding levels for shovel-ready highway, local system and transit programs to help put people back to work in the construction industry. According to a survey of California's 58 counties in November 2009, we have significant capacity to deliver transportation projects on the local system.
- **Medicaid and Foster Care:** Extend the higher federal match for Medicaid and IV-E foster care through June 30, 2011 to help the State and counties provide critical services to individuals and families.
- **Municipal Bond Insurance:** Support creation of a mutual bond insurance company owned by state and local government bond issuers that will provide readily available and affordable municipal bond insurance. The company will endeavor to replace the commercial municipal bond insurers whose credit ratings were downgraded in 2008 and 2009. *(Not included in House bill.)*
- **Build America Bonds (BAB):** Increase federal support for the BAB program. California's local governments have utilized BABs to advance capital projects, including work on public buildings, housing and infrastructure, government health/safety facilities, and water, environment, and energy projects. *(Not included in House bill.)*
- **Recovery Zone Economic Development Bonds:** Increase the bond authority and expand local government eligibility for local economic development projects. *(Not included in House bill.)*
- **TANF Emergency Contingency Funding (TANF-ECF):** Extend the TANF-ECF through September 2011 and increase funding by an additional \$2.5 billion to continue subsidized jobs and other supports for low-income families. *(Not included in House bill.)*
- **Summer Youth Employment:** Appropriate \$500 million for youth summer employment to assist agencies in addressing the alarmingly high rate of teenage unemployment – the rate reached nearly 27 percent last November.
- **Community Development Block Grant (CDBG):** Provide CDBG funding for infrastructure and economic development projects. In past years, the program has been used by the federal government to disseminate recovery funds to state and local governments after natural disasters and recessions. *(Not included in House bill.)*
- **Energy Efficiency and Conservation Block Grant (EECBG):** Include EECBG funding to support green jobs through the deployment of energy efficiency programs and projects. *(Not included in House bill.)*
- **Forest Health and Restoration Projects:** Create rural jobs by funding forest thinning and restoration projects on our nation's public lands. It is estimated that for every one million board feet of thinning harvest, over 11 jobs are generated with an average wage of over \$40,000; between 16 and 30 jobs are created for every one million dollars spent on forest restoration projects. *(Not included in House bill.)*

BACKGROUND: California's statewide unemployment rate is over 12 percent and the State's budget crisis continues to threaten the delivery of county services. Federal investments in state and local programs are not only critical, they are some of the best ways to spur economic growth.

California counties can deliver projects in a variety of program areas, all of which would assist in economic recovery efforts by putting people back to work. Federal initiatives in highways and transit assistance, CDBG, EECBG, Build America Bonds, and Forest Restoration activities are prudent investments. Additionally, direct federal investments in health and human services programs such as Medicaid and foster care, and funding TANF subsidized jobs and summer youth employment not only maintain critical services, they save jobs and create new employment opportunities.

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