

JOBS FOR MAIN STREET ACT, 2010

EXPLANATORY STATEMENT

THE JOBS CRISIS

A jobs bill is urgently needed because of the worst job situation since the Great Depression of the 1930s. The vast majority of fair-minded economists have concluded that the Recovery Act has had a positive effect on the job situation and they also agree that sizeable and targeted deficit spending makes sense at this time of unusually high unemployment, low inflation, and low interest rates, but not after the economy recovers.

The current recession has been especially severe in the labor market:

- The unemployment rate has reached 10 percent. Almost every age and education group is experiencing higher unemployment than at any time since the 1930s.¹
- This dismal unemployment situation is not expected to improve any time soon. The Blue Chip consensus of economic forecasters expects the unemployment rate to get worse early next year and still be 9.9 percent at the end of 2010.
- The number of people unemployed has more than doubled in the last two years, from 7.2 million to 15.4 million, an increase of 8.2 million. 10.6 million more people would have a job today if employment growth had simply kept up with population growth over the last two years.
- The crisis in the job-market goes beyond the increase in unemployment. The number of people working part time but seeking full-time work has doubled in two years, from 4.5 million to 9.2 million. The number of people who want a job but are too discouraged to look for work has risen by 1.4 million or 30 percent in two years.
- The total number of people who are either unemployed or working part-time for economic reasons or have dropped out of the labor force but want a job has risen by 14.2 million in just two years.

Other indicators make the case for a jobs bill:

- For the first time since the 1930s, manufacturing is using less than two-thirds of its capacity. So much unused capacity means that production can be very responsive to new demand without increases in prices.

¹

The unemployment rate exceeded 10 percent in late 1982 and early 1983 when the work force was younger and less educated than today. Both groups tend to have higher than average unemployment rates. If each age and education group had the same unemployment rate as actually occurred but their share of the work force been the same as today, the rate would have fallen short of 10 percent in the early 1980s.

- With its Federal funds rate at virtually zero, the Federal Reserve's capacity to stimulate the economy is limited.
- The rates on Federal government borrowing remain unusually low.

The evidence is overwhelming that the Recovery Act has made the job situation substantially better than it would have been without the Recovery Act:

- The Congressional Budget Office recently estimated that, as of September, the Recovery Act had already raised employment by 600,000 to 1.6 million. All major private forecasters have made similar estimates.
- The rate of job loss has declined from 700,000 a month for the three months before the Recovery Act to just 11,000 job losses last month.
- A recent *Wall Street Journal* survey of economic forecasters found that a clear majority supported additional jobs measures, a position that they would not have taken unless they believed the first round had worked.

Continued high unemployment takes a toll on those unemployed and their families who experience the frustration of not finding work. Local communities also suffer a loss of tax base which forces cutbacks on education and other services vital to everyone in the community.

It makes sense for the Federal government to invest more in expanding training opportunities at times of high unemployment. State and local governments face pressures to cut back on all spending, including education. On the other hand, the lack of work opportunities gives many people more time to devote to education and upgrading job skills.

Faster reduction of unemployment is in the long-term interest of the Nation's economy. When people have jobs, they have money to spend that has a multiplier effect on the economy generally. In addition, prolonged unemployment causes workers' skills to erode which reduces the Nation's productive capacity.

TITLE I- INFRASTRUCTURE AND JOBS INVESTMENT

CHAPTER 1 —DEPARTMENT OF JUSTICE

COMMUNITY ORIENTED POLICING SERVICES

(INCLUDING TRANSFERS OF FUNDS)

The bill provides \$1,179,000,000 for Community Oriented Policing Services grants for the hiring and rehiring of an estimated 5,500 law enforcement officers.

CHAPTER 2 —ENERGY AND WATER DEVELOPMENT

CORPS OF ENGINEERS—CIVIL WORKS

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION

(INCLUDING TRANSFERS OF FUNDS)

The bill provides an additional \$715,000,000 for Construction to support an estimated 7,800 jobs. This funding will support the construction of water resource projects in areas where they can quickly create jobs. Unemployment in the construction industry in November was 19.4 percent, up from just 6.2 percent two years ago. The projects will also provide long-term economic benefits through lasting infrastructure improvements. The Corps is directed to consider the following criteria when allocating funds: programs, projects or activities that can be commenced quickly; programs, projects or activities that will create high and immediate employment; programs, projects or activities that will be executed by contract or direct hire of temporary labor; and programs, projects or activities that are located in a state with high unemployment.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

WATER AND RELATED RESOURCES

(INCLUDING TRANSFERS OF FUNDS)

The bill provides an additional \$100,000,000 to support an estimated 1,000 jobs for the programs of the Bureau of Reclamation. This funding will support the construction of water supply projects in areas where they can quickly create jobs in the construction industry. Unemployment in that sector was 19.4 percent in November, up from just 6.2 percent two years ago. The Bureau is directed to consider the following criteria when allocating funds: programs, projects or activities that can be commenced quickly; programs, projects or activities that will create high and immediate employment; programs, projects or activities that will be executed by contract or direct hire of temporary labor; and programs, projects or activities that are located in a state with high unemployment. Additionally, funds are provided to respond to drought in western and southwestern United States by expediting projects and activities that supplement existing water supplies such as through the title XVI program, meeting fish and wildlife needs, adding flexibility to water delivery systems, or addressing other factors to reduce conflict over limited water supplies.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

TITLE 17 INNOVATIVE TECHNOLOGY LOAN GUARANTEE PROGRAM

The bill provides an additional \$2,000,000,000 for the cost of guaranteed loans authorized by section 1705 of the Energy Policy Act of 2005. This funding should support an estimated 22,000 jobs in the renewable energy sector, providing a boost to the construction industry as well as contribute to the Nation's goals for energy independence. Most renewable energy funds are spent on materials and workmanship to build and maintain the facilities, rather than on costly energy imports. Further, as we build manufacturing capability in the United States, renewable energy technologies developed and built here can be sold overseas, providing a boost to the U.S. trade deficit.

INCENTIVES FOR INNOVATIVE TECHNOLOGIES LOAN GUARANTEE PROGRAMS

Section 1201 includes a provision modifying the Energy Policy Act of 2005 authorization for the Department of Energy's Innovative Loan Guarantee Program.

CHAPTER 3 —HOMELAND SECURITY

FEDERAL EMERGENCY MANAGEMENT AGENCY

FIREFIGHTER ASSISTANCE GRANTS

This bill provides \$500,000,000 to retain, rehire, and hire an estimated 2,500 firefighters across the United States and directs the Department of Homeland Security to make these awards within 120 days. The Secretary may transfer any unused funds to firefighter assistance equipment grants subject to notification.

CHAPTER 4 —INTERIOR AND THE ENVIRONMENT

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

The bill provides \$20,000,000 as an additional amount for "Management of Lands and Resources" to support an estimated 1,000 term jobs. These funds should be used to increase term employment for activities on all Bureau of Land Management lands including maintenance, resource management, invasive species management, and inventory and monitoring.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

The bill provides \$30,000,000 as an additional amount for “Resource Management” to support an estimated 1,500 term jobs. These funds should be used to increase term employment for activities funded under this heading, including activities on all national wildlife refuges and national fish hatcheries such as maintenance, invasive species management, inventory and monitoring, and for high priority habitat restoration projects.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

The bill provides \$50,000,000 as an additional amount for “Operation of the National Park System” to support an estimated 2,700 term jobs. These funds should be used to increase term employment for activities on all national park units such as maintenance, interpretive, and resource management activities including invasive species management, inventory and monitoring, restoration of historical resources, and work with the National Register of Historic Places.

DEPARTMENT-WIDE PROGRAMS

WILDLAND FIRE MANAGEMENT

The bill provides \$20,000,000 as an additional amount for “Wildland Fire Management” to support an estimated 1,000 term jobs. These funds should be used to increase term employment for activities on all Interior Department lands, particularly for hazardous fuels reduction and related activities including necessary inventory and monitoring.

ENVIRONMENTAL PROTECTION AGENCY

STATE AND TRIBAL ASSISTANCE GRANTS

(INCLUDING TRANSFERS OF FUNDS)

The bill provides \$2,000,000,000 for water and wastewater infrastructure improvements, of which \$1,000,000,000 is for the Clean Water State Revolving Fund and \$1,000,000,000 is for the Safe Drinking Water State Revolving Fund. This funding will support approximately 44,000 jobs and will assist more than 670 communities and cities construct vitally needed projects to address the ever growing backlog of sewer and water repairs and rehabilitation. The bill provides that half of the funds include additional subsidies such as principal forgiveness and grants, making it easier for more communities to have access to this program.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

The bill provides \$75,000,000 as an additional amount for “State and Private Forestry” to support an estimated 3,800 term jobs. These funds are for financial assistance to States and other authorized cooperators, to increase term employment for activities, including reducing wildfire hazards, forest health management, restoring and rehabilitating forests damaged by pests or invasive species, enhancing urban and community ecosystems, and providing cooperation and technical assistance. The Forest Service should not require cost share for the use of these urgently needed funds.

NATIONAL FOREST SYSTEM

The bill provides \$40,000,000 as an additional amount for “National Forest System” to support an estimated 2,000 term jobs. These funds should be used to increase term employment, including management, protection, improvement and utilization activities on the National Forest System, and including maintenance, resource management, visitor services enhancement, forest health, habitat and watershed enhancement, invasive species management, and necessary inventory and monitoring.

WILDLAND FIRE MANAGEMENT

The bill provides \$35,000,000 as an additional amount for “Wildland Fire Management” to support an estimated 1,800 term jobs. These funds should be used to increase term employment for Forest Service authorized activities, including hazardous fuels reduction and related activities, such as necessary inventory and monitoring.

GENERAL PROVISIONS—THIS CHAPTER

Section 1401 allows funds for management and oversight provided to the Environmental Protection Agency in this Act to be available until September 30, 2012, and the funds may be transferred to the “Environmental Programs and Management” account as needed.

Section 1402 requires the Secretaries of the Interior and Agriculture to utilize, to the maximum extent practicable, the Public Lands Corps, Youth Conservation Corps, Student Conservation Association, Job Corps, Corps Network members and other related partnerships with Federal, State, local, tribal or non-profit groups that serve young adults, underserved and minority populations, veterans and special needs individuals.

CHAPTER 5 —LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

The bill includes \$500,000,000 for a summer employment program for youths. According to the Bureau of Labor Statistics (BLS), the unemployment rate for teenagers (age 16 – 19) reached 26.7 percent in November 2009 – the highest level recorded since BLS began collecting data. These funds will support summer youth employment for approximately 250,000 disadvantaged youths.

HIGH GROWTH JOBS

The bill includes \$750,000,000 for competitive grants to support job training for approximately 150,000 individuals in high growth and emerging industry sectors, particularly in the health care and green industries that are adding jobs despite difficult economic conditions. Grants for job training in green industries will focus on programs that train workers living in areas of high poverty.

DEPARTMENT OF EDUCATION

EDUCATION JOBS FUND

The bill includes \$23,000,000,000 for an Education Jobs Fund to help States cope with the most dramatic decline in State tax receipts on record – due to the worst recession in 30 years. These funds will help States to save or create an estimated 250,000 jobs over the next two years. Of the total appropriation, 95 percent of the funds will be allocated by States to school districts and public institutions of higher education to retain or create jobs providing early childhood education, elementary, secondary, or postsecondary education services or for modernization, renovation, and repair of facilities. The remaining 5 percent of funds is reserved for State education-related jobs and administration of the Education Jobs Fund.

STUDENT FINANCIAL ASSISTANCE

The bill includes \$300,000,000 to support the College Work Study program, which supports low- and moderate-income undergraduate and graduate students who work while attending college. Together with institutional matching funds, this appropriation will support work-study jobs for approximately 250,000 financially needy students.

RELATED AGENCIES

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

OPERATING EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

The bill provides \$200,000,000 for AmeriCorps programs and the National Service Trust, which will support an additional 25,000 AmeriCorps Members. This funding will enable these individuals to serve their communities while earning an education award to further their education or pay off student loans. AmeriCorps members conduct vital services for nonprofits and communities including financial counseling, disaster response, housing support, and after school programs. The Corporation has seen an unprecedented level of interest from States, localities, and nonprofit organizations in its programs. Between November 2008 and April 2009, AmeriCorps received 76,404 online applications, up 230 percent compared to the same period in the year before.

GENERAL PROVISIONS—THIS CHAPTER

ISSUER ALLOWED REFUNDABLE CREDIT FOR QUALIFIED ZONE ACADEMY BONDS (QZABs) AND
QUALIFIED SCHOOL CONSTRUCTION BONDS (QSCBs)

Section 1501 includes several provisions pertaining to QSCBs and QZABs, which finance public school construction, rehabilitation, and repair. Because the market for tax credits on QSCBs and QZABs currently is small given economic conditions, the bill would allow a State, local government, or tribal government issuing QSCBs or QZABs to elect to receive a direct payment from the Federal government equal to the amount of the tax credit that would have otherwise been payable on these bonds. The bill also includes a technical correction that clarifies that large local school districts are allowed to carry their 2009 and 2010 allocations of QSCBs into future years if they are not issued.

CHAPTER 6—TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

GRANTS-IN-AID FOR AIRPORTS

The bill provides \$500,000,000 for the Federal Aviation Administration to provide discretionary airport grants to repair and improve critical infrastructure at our Nation's airports. Projects funded under this Act, as well as under the American Recovery and Reinvestment Act, use the criteria established for grants under the AIP program and provide long-term economic,

safety and capacity benefits to the Nation's airport system. This funding will support an estimated 5,000 jobs.

FEDERAL HIGHWAY ADMINISTRATION

HIGHWAY INFRASTRUCTURE INVESTMENT

The bill provides \$27,500,000,000 for additional highway infrastructure investment to support an estimated 299,000 jobs. Funds are distributed by formula, with a portion of the funds within each State being suballocated by population areas. Set asides are also provided for: management and oversight; Indian reservation roads; park roads and parkways; forest highways; refuge roads; ferry boats; on-the-job training programs focused on minorities, women, and the socially and economically disadvantaged; a bonding assistance program for minority and disadvantaged businesses; Puerto Rico and the territories; and environmentally friendly transportation enhancements.

FEDERAL RAILROAD ADMINISTRATION

CAPITAL GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The bill provides \$800,000,000 for capital grants to the National Railroad Passenger Corporation (Amtrak) for fleet modernization, including the rehabilitation of existing and acquisition of new passenger equipment, including fuel efficient locomotives. The Secretary of Transportation is directed to give priority to domestically manufactured equipment, including components and subcomponents used for rehabilitation. In addition, new acquisitions should be part of a larger strategy to work with domestic manufacturers to create a standardized next generation corridor equipment fleet. This funding supports an estimated 9,000 jobs.

FEDERAL TRANSIT ADMINISTRATION

TRANSIT CAPITAL ASSISTANCE

The bill provides \$6,150,000,000 for urban and rural formula grants to support an estimated 67,000 jobs. Within the total amount, 80 percent of the funds shall be provided through the Federal Transit Administration's (FTA) urbanized formula; 10 percent shall be provided through FTA's rural formula; and 10 percent shall be provided through FTA's growing states and high density formula. In addition, the bill provides 2.5 percent of the rural funds for tribal transit needs and includes \$100,000,000 for discretionary grants to public transit agencies for capital investments that will assist in reducing the energy consumption or greenhouse gas emissions of their public transit agencies.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT

The bill provides \$1,750,000,000, to support an estimated 19,000 jobs, to be distributed through an existing authorized formula for capital projects to modernize or improve existing fixed guideway systems, including purchase and rehabilitation of rolling stock, track, equipment and facilities.

CAPITAL INVESTMENT GRANTS

The bill provides \$500,000,000, to support as estimated 5,000 jobs, to be distributed on a discretionary basis for New Starts and Small Starts projects that are already in construction or are nearly ready to begin construction.

MARITIME ADMINISTRATION

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The bill provides \$100,000,000 for the Maritime Guaranteed Loan (Title XI) program to allow vessels and shipyards to obtain long-term financing for growth and modernization projects.

GENERAL PROVISION—DEPARTMENT OF TRANSPORTATION

MAINTENANCE OF EFFORT

Section 1601 ensures continued State investment in certain identified programs for which the State receives funding in this Act and requires grant recipients to report regularly on the use of those funds.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

PUBLIC HOUSING CAPITAL FUND

The bill provides \$1,000,000,000 for the Public Housing Capital Fund for additional repairs and rehabilitation of public housing, including increasing the energy efficiency of units and making critical safety repairs. The Secretary is directed to award these funds competitively to public housing agencies that submitted applications in the competition for funds conducted in fiscal year 2009. In that competition, HUD received applications totaling approximately \$3,700,000,000 for Capital Fund projects, but was only able to fund \$1,000,000,000 in awards. This funding will spur construction quickly, especially since HUD has ready-to-go applications for projects on hand. This funding will support an estimated 10,900 construction jobs.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING TRUST FUND

The bill provides \$1,000,000,000 for the National Housing Trust Fund to provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely and very low income households; and \$65,000,000 for project-based vouchers to support units built by the Trust Fund. Nationwide, for every 100 extremely low income renter households, there are only 37 homes they can afford, further, capital expenditures for housing will create jobs in the construction industry. This funding will support an estimated 19,000 construction jobs.

CHAPTER 7 —GENERAL PROVISION

TARP REDUCTION

Section 1701 reduces the ceiling on loans, investments and other assistance under the Troubled Asset Relief Program (TARP) by \$150,000,000.

Section 1702 provides that all funds under this title shall be subject to section 1604 of division A of the American Recovery and Reinvestment Act of 2009.

Section 1703 makes appropriations in this title subject to American Recovery and Reinvestment Act reporting and transparency requirements and Inspector General oversight.

TITLE II—SURFACE TRANSPORTATION EXTENSION

This title extends the authorization for the highway, transit, highway safety and motor carrier safety programs of the Department of Transportation until September 30, 2010. In addition, the bill includes language that provides 100 percent federal share for the transportation programs authorized in the title, repeals the provision that prohibits Highway Trust Fund balances from earning interest, and restores \$20,000,000,000 to the Highway Trust Fund.

This title also strengthens the Buy America requirements for highway and transit projects, and provides greater transparency for Buy America waivers.

TITLE III--UNEMPLOYMENT AND OTHER EMERGENCY NEEDS

CHAPTER 1 —AGRICULTURE AND RURAL DEVELOPMENT

DEPARTMENT OF AGRICULTURE

GENERAL PROVISION—THIS CHAPTER

(RESCISSION)

RELIEF FOR DISCRIMINATION IN A CREDIT PROGRAM OF THE DEPARTMENT OF AGRICULTURE
UNDER THE EQUAL CREDIT OPPORTUNITY ACT

Section 3101 extends the statute of limitations for claims of discrimination in USDA's credit programs that have been pending at USDA.

CHAPTER 2—FINANCIAL SERVICES AND GENERAL GOVERNMENT

INDEPENDENT AGENCIES

SMALL BUSINESS ADMINISTRATION

BUSINESS LOANS PROGRAM ACCOUNT

The bill provides \$354,000,000 to the Small Business Administration (SBA), to continue two temporary enhancements to SBA loan guarantee programs made by the American Recovery and Reinvestment Act of 2009 and which are nearly out of funding. One of the enhancements being extended allows the SBA to guarantee 90 percent of certain small business loans, instead of the 75 percent allowed under permanent law (or 85 percent for small loans), thereby encouraging banks to make these loans by reducing the amount they have at risk and the reserves they must hold. The other reduces fees paid by lenders and borrowers. The funding provided in the bill is estimated to be sufficient to continue both items through the end of fiscal year 2010. The bill also extends the expiration date of the authorization for the 90 percent loan guarantees to September 30, 2010.

GENERAL PROVISION— THIS CHAPTER

(RESCISSION)

Section 3201 rescinds funds that will lapse at the end of fiscal year 2010.

CHAPTER 3 —LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

GENERAL PROVISIONS—THIS CHAPTER

ASSISTANCE FOR UNEMPLOYED WORKERS AND STRUGGLING FAMILIES

Section 3301 provides a six-month extension of expiring UI benefit provisions that were established or continued in the American Recovery and Reinvestment Act, including the Emergency Unemployment Compensation program, 100 percent Federal funding for the Extended Benefits program, and the extra \$25 weekly UI benefit.

EXTENSION AND IMPROVEMENT OF PREMIUM ASSISTANCE FOR COBRA BENEFITS

Section 3302 extends the 65 percent COBRA health insurance subsidy from nine to 15 months for individuals who have lost their jobs. The job lost eligibility date is extended in the provision through June 30, 2010.

EXTENSION OF RECOVERY ACT INCREASE IN THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE
(FMAP)

Section 3303 extends for six months, through June 2010, the FMAP provision in the Recovery Act, which increases the Federal match for Medicaid for all State programs.

REPEAL OF EARNED INCOME THRESHOLD FOR DETERMINING REFUNDABLE PORTION OF CHILD
TAX CREDIT

Section 3304 increases the eligibility for the refundable portion of the child tax credit. The bill would increase the eligibility for the refundable child tax credit in 2010. For 2009, the child tax credit is refundable to the extent of 15 percent of the taxpayer's earned income in excess of \$3,000. The bill would eliminate this floor for 2010.

DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) POVERTY GUIDELINES

Section 3305 includes a provision to freeze the HHS poverty guidelines at 2009 levels in order to prevent a reduction in eligibility for certain means-tested programs, including Medicaid, Supplemental Nutrition Assistance Program (SNAP), and child nutrition, in 2010.

REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY
ASSISTED PROGRAMS

Section 3306 provides, for one year, the exclusion of tax refunds as income for the purpose of assessing eligibility for means-tested programs supported by Federal funds.

Section 3307 permanently authorizes a provision to help Social Security and Supplemental Security Income disability claimants retain professional representation.

CHAPTER 4—GENERAL PROVISION—THIS TITLE

Section 3401 provides an emergency designation and PAYGO emergency designation.

TITLE IV--GENERAL PROVISIONS—THIS ACT

Section 4001 establishes a period of availability for funds.

Section 4002 requires Buy America requirements.

DISCLOSURE OF EARMARKS AND CONGRESSIONALLY DIRECTED SPENDING
ITEMS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, neither the amended bill nor the explanatory statement contains any congressional earmarks, limited tax benefits, or limited tariff benefits.