

May 20, 2010



Honorable Nancy Pelosi  
Speaker of the House  
235 Cannon House Office Building  
Washington, DC 20515

Dear Speaker Pelosi:

On behalf of CLASP, the Center for Law and Social Policy, I am writing to express our strong support for H.R. 4213, the Promoting American Jobs and Closing Tax Loopholes Act of 2010, a bill that will create jobs and boost economic activity while helping workers and families who continue to struggle from the lingering effects of the nation's economic downturn.

HR 4213 contains vital components that would help some of the most vulnerable families both directly and by averting dangerous reductions in service by states. CLASP is particularly supportive of the following components of the bill:

- Continuing current levels of federal support for extended **Unemployment Insurance** benefits and COBRA health insurance subsidies for the long-term unemployed through the end of the year. Although the job market has shown some signs of recovery, unemployment remains at generational highs. Further, long-term unemployment is at record levels, with 45.9 percent of unemployed workers being out of work for six months or more in April 2010. The economy has created jobs for the last three months, but even if the current pace of jobs creation is sustained, it will take years to recover the millions of jobs lost throughout 2008 and 2009. Extending these programs to the end of the calendar year would protect these crucial benefits from the whims of the political process, ensuring unemployed workers have needed support as they continue to search for jobs.
- Providing \$2.5 billion for the **TANF Emergency Fund** for FY 2011. This fund provides a partial reimbursement to states that have increased support to the most vulnerable families during the recession. More than half of the states have used these funds to create subsidized jobs programs, which allow low-income parents to support their families through work. These programs—which are on track to create more than 180,000 jobs by September—would be shut down in the absence of these funds, and many states are likely to cut other services for needy families.
- Supporting more than 300,000 jobs for youth ages 16 to 21 through **Summer Jobs** programs. Youth are facing an unprecedented crisis in employment, representing nearly a third of those who are currently unemployed across the country. According to the Bureau of Labor Statistics (BLS), currently only 25 percent of teens between age 16 and 19 are employed, down from 37 percent just five years ago. For black teens that rate is only 16

percent. Early work experience is critical to the development of work ethic and appropriate workplace skills, and correlates with higher earnings in later years. Funding jobs for youth will help communities to build on the success of last year's summer jobs programs, provide youth with income to help support their families during these tough economic times and fuel demand in local economies through their spending.

- Extending for six months the Recovery Act increase in the share of **Medicaid and child welfare** costs paid by the federal government, taking the increase to the end of most states' fiscal years. This extension would provide critical assistance to states facing budget shortfalls, helping avoid major cuts in needed services and layoffs of state and local employees. The Center on Budget and Policy Priorities has estimated that without an extension of state fiscal relief, state spending cuts could mean job losses of up to 900,000 in both the public and private sectors nationwide.
- Providing capital funding for the **National Housing Trust Fund**, which will help address the serious shortage of affordable housing for very-low income families, including people who are unemployed or employed in low-wage jobs, veterans, and elderly and disabled people on fixed incomes. This provision is estimated to lead to immediate production of 10,000 rental units, creating 15,000 new construction jobs.

The temporary spending in the legislation will stimulate the economy as well as aid Americans who have been hardest hit by the recession. Cutting these essential programs would risk crushing the fragile recovery that has begun. I urge you to bring this bill to the House floor for a vote as soon as possible, and to avoid amendments that would weaken it.

Thank you for your support.



Alan W. Houseman  
Executive Director

cc: The Honorable Sander Levin