

The Emergency Jobs Program and Assistance for Families Extension Act

Introduced by Representative Jim McDermott

The legislation would extend funding to the States for creating employment programs and for meeting the growing need for basic assistance among poor families.

- ▶ The American Recovery and Reinvestment Act created an Emergency Contingency Fund (ECF) to help States with increasing expenditures on: basic assistance for families in the Temporary Assistance for Needy Families (TANF) program; short-term, one-time aid for needy families; and subsidized employment programs (such programs temporarily pay for the wages of a worker in a public or private job).
- ▶ The ECF now provides 80% federal matching funds with two limitations. The overall fund is capped at \$5 billion, and no State's total allocation from both the ECF and from another contingency fund under the TANF program can exceed 50% of its annual TANF grant amount.
- ▶ This emergency fund is now scheduled to expire on September 30, 2010.
- ▶ Similar to a proposal in President Obama's FY 2011 budget, the bill would make the following changes to the current emergency fund:
 1. States would be able to access the fund for an additional year (through FY 2011).
 2. Additional sums could be added to the fund in FY 2011 if needed.
 3. A new limitation on a State's total draw down from the fund would be established for FY 2011 (cannot exceed 50% of annual TANF grant).
 4. The federal matching rate for the creation or expansion of subsidized employment programs would be increased to 100%.
 5. "Work support services" would be added as a new spending category.
- ▶ Without an extension of this emergency fund, States may soon reduce or eliminate subsidized employment programs and/or cut assistance to needy families. Because job placements in subsidized employment programs often run for at least six months, *a number of States and counties are planning to discontinue their job programs between March and June of this year in anticipation of the emergency fund's expiration on September 30th.*