

Congress of the United States
Washington, DC 20515

April 19, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid:

We write to ask you to extend the highly successful TANF Emergency Contingency Fund (ECF) as soon as possible. As you know, the House passed H.R. 4849, the Small Business and Infrastructure Jobs Tax Act of 2010, on March 24, 2010. This bill renews the TANF ECF for another year and provides \$2.5 billion – a provision the President also included in his FY2011 budget. This program has been used by states and localities to create subsidized jobs programs for lower income workers. The program is set to expire on September 30, 2010 and states have already begun to draw down their programs. If the Emergency Fund is not renewed the jobs this program created will disappear, leaving thousands without work.

The TANF Emergency Fund was created in the Recovery Act to extend economic stimulus to low income families. It lets states and localities use the funds for cash welfare and lets them devise innovative subsidized jobs programs that span both the private and public sectors while the federal government contributes 80% of the the new employee's salary. The program allows small businesses to defray labor costs and expand their businesses while simultaneously allowing lower income workers a chance to build their resumes and gain work experience.

The program has a proven record of success. In Fresno, over 1,000 jobs have been created through a jobs subsidization program. In San Francisco, over 1,500 jobs were created. In Los Angeles, a remarkable 5,600 jobs were created through the Jobs NOW program. In fact, by the end of January, 43 California counties were placing nearly 15,000 individuals in subsidized jobs with private sector employers, non-profit organizations and the public sector. But the successes have not been limited to California – the program is set to create close to 157,000 jobs nationwide by the time it expires on September 30, 2010.

If we do not act soon states will begin to draw down their programs in expectation of the September 30th expiration date. Businesses do not wish to train new workers for jobs that will end in a few months. Already, the employment programs of Georgia, Pennsylvania and Florida have an automatic September 30th termination date for all job placements. Some localities have already stopped making new job placements entirely.

The window for action is narrowing. Since December 2007, over 1 million Californians have lost their jobs. The subsidized jobs programs have been a bright spot in an otherwise painful

economic environment. The loss of these jobs will further harm our economy and disproportionately hurt lower income Californians at the moment when they need the most assistance. We strongly urge that you extend the TANF ECF program at the earliest opportunity so it can continue to put people to work around the nation.

Sincerely,

Judy Chu

Sam Tan

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Jim Hahn

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Zoe Lofgren

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