



February 19, 2010

Honorable Nancy Pelosi, Speaker of the House
U.S. House of Representatives
235 Cannon House Office Building
Washington, DC 20515-0508

Honorable Harry Reid, Majority Leader
U.S. Senate
522 Hart Senate Office Building
Washington, DC 20515-2005

Dear Speaker Pelosi and Majority Leader Reid,

We write on behalf of the broad civil rights and human rights communities to urge swift action on a national crisis that is affecting us all. Unless we resolve our national job crisis, all of our other priorities – from reforming health care and fixing our broken immigration system to expanding economic opportunity for all Americans – are in real jeopardy. In our neighborhoods and communities, people are calling for bold action to rebuild the economy.

A recovery plan is needed that rescues Americans from job losses and foreclosures, and that lays the foundation for a more prosperous future for all. The lack of decent jobs, the fear of losing the family home to foreclosure, and the particular impact of both of these problems on minority, tribal, and poor neighborhoods are pushing people to the breaking point. In addition, people with disabilities, who have had historic high levels of unemployment, need relief. The economic and health care crises are inextricably linked as job loss causes the loss of health insurance coverage, leaving families one medical crisis away from bankruptcy and foreclosure.

Wall Street received the helping hand it needed, but the American people are still waiting. It is time to require Wall Street to do its fair share to rescue, restore and rebuild our cities and neighborhoods. Main Street is hurting, and the banks and the federal government must do their part to help turn the economy around in ways that all families can see and feel.

The House has passed a jobs bill that is awaiting action in the Senate. In his State of the Union address, President Obama urged the Senate to act quickly on it. We join the President's call to Congress, and strongly urge the House and Senate to enact bold legislation that provides immediate relief to people who are out of work and employers that are unable to maintain their workforces. As included in the House legislation, it is critical that substantial fiscal relief be made available to help stabilize State and local governments, and to preserve essential services and safety net programs in our communities and the jobs of tens of thousands of workers around the country. Similarly, and again as included the House legislation, the extension and improvements to our Unemployment Insurance program and help with COBRA premiums as enacted in the ARRA must be extended at least through the end of 2010.

Of equal importance, and as urged by the Congressional Black Caucus, among others, the final legislation must provide tools for ensuring that stimulus funds go to the places and people most in need, especially those regions where homeowners were targeted by unscrupulous mortgage lenders and where job loss has been higher than average. Accordingly, we urge Congress to adopt legislation that provides for:

(1) Fast track creation of jobs in the public sector that serve community-level needs.

- Appropriate \$40 billion a year for two years to create **employment opportunities for unemployed and underemployed residents of distressed communities**. Under this proposal, the Department of Labor would administer grants to states, local governments, and Indian tribes. Five percent of funds would be reserved for Indian tribes and discretionary grants, 30 percent would be allocated to states to be re-granted to small localities, and the remaining funds allocated to metropolitan cities and counties under the Community Block Grant formula. Implementation would occur in two phases. The first phase would fast-track job creation for nine months in public service-oriented work projects. The second would provide job creation on projects that serve areas with the greatest economic need, integrate education and job training, coordinate with apprenticeship and pre-apprenticeship programs, and provide job opportunities in sectors that offer high growth and the prospect of long term employment. These initiatives must be designed so that they maintain existing wage and benefit standards and do not displace existing jobs or simply exchange one group of unemployed workers for another. A number of models for public employment have been proposed, including H.R. 4268, the Put America to Work Act of 2009, sponsored by Rep. Keith Ellison (D-MN).
- Invest \$1 billion to **hire workers to maintain and rehabilitate abandoned and foreclosed properties in neighborhoods** by appropriating a second round of funds for the Neighborhood Stabilization Program (NSP). Under this proposal, at least 30 percent of new NSP jobs would be required to go to economically disadvantaged job-seekers, prioritizing hiring workers with low-income and low levels of education, and those not currently receiving UI. At least 30 percent of hires would be required to be low-income residents from the areas in which projects are funded.
- Provide a **work sharing tax credit**, as proposed by Rep. John Conyers (D-MI) in H.R. 4179, the "Shortening Hours and Retaining Employees (SHARE) Credit Act of 2009," which would minimize layoffs and incentivize new hiring. The tax credits would be used to pay firms to shorten the typical workweek or work year, while keeping pay constant. This would lead employers to hire additional workers to make up for the fewer hours worked by their incumbent work force. A rough estimate is that this tax credit would create a net total of 1.3 to 2.7 million jobs. Funding work sharing would be cost-effective and efficient, and would very quickly make a big dent in the unemployment rate.
- Extend through FY2011 the time during which states and localities are allowed to use

existing **TANF Emergency Contingency Funds**, which can be used to create subsidized jobs, as well as to improve access to cash assistance and other one-time assistance for low-income families. These funds were authorized in the ARRA, and under current law, all funds must be spent by the end of FY2010. In addition, as proposed in the President's budget, additional funds, at least \$2.5 billion, should be made available in FY2011.

(2) Immediate investment in the infrastructure of schools and public transit.

- **Provide \$20 billion for school maintenance and repair**, with funds allocated in accordance with the ESEA Title I formulas. According to the Economic Policy Institute, this could generate 250,000 skilled maintenance and repair jobs. In addition, **provide \$50 billion in capital funds** for the lowest-income school districts.
- **Prioritize investments in public transportation**, including regional systems that connect housing, jobs, and local services to improve access to healthy foods, medical care, and other basic services. Create clear guidelines to ensure that communities with high unemployment and poverty rates are served, and expand on language in the ARRA by creating strong accountability and enforcement measures tied to achieving equitable economic benefits.

Both programs should include **safeguards** to ensure that job creation results in widespread impact for all workers. For example, contractors receiving federal dollars should ensure that at least 15-30 percent of project work-hours are worked by local residents who are lower income, people of color, women, or who are otherwise underrepresented in the construction industry. Where joint apprenticeship programs are located near a project, contractors should have to maximize the use of registered apprentices who receive quality training. One percent of all dollars for infrastructure investment should be dedicated to creating a pipeline of workers ready to step into apprenticeship programs and construction careers. The Secretary of Labor should be authorized to ensure that public agencies and contractors receiving federal funds utilize Community Workforce Agreements.

(3) Prevention of foreclosures.

- Allocate \$10 billion of appropriated **TARP funds to HUD to provide fixed-rate, low-interest loans to unemployed people facing foreclosure** who don't qualify for other assistance. This program would be modeled on a successful effort by the Pennsylvania-based Homeowners' Emergency Mortgage Assistance Program (HEMAP). If a homeowner provided verification of their unemployment compensation to his loan servicer, he would be automatically approved for a loan that would pay any mortgage above 31 percent of family income. Loans would be repayable with interest, but interest would not accrue and repayments would not begin until the homeowner's income was sufficient to allow payment.
- Allow homeowners to rent back their homes at market rates for up to ten years following foreclosure. The program would be modeled after the Fannie Mae "Deed for Lease" program

that gives former owners the option to lease their recently-foreclosed properties and that targets neighborhoods with above-average foreclosure rates.

- Support “**cram down**” provisions to allow bankruptcy court judges to approve changes to mortgage contracts for homeowners in bankruptcy, such as extending repayment periods, reducing interest rates and fees, and adjusting the principal balance of mortgages.

Implementing our proposals would swiftly stabilize neighborhoods and stem the human suffering in the most distressed parts of the country. While these are temporary investments, all would leave the kind of lasting benefits for homeowners, workers, and students, which would generate long term benefits to the economy and nation. By ensuring that recovery and reinvestment programs reach all Americans, we ensure strong economic growth for the nation overall. We stand ready to support you and our President in efforts to build an economy based on shared prosperity for all Americans.

Sincerely,

AFL-CIO

American Federation of State, County and Municipal Employees

Asian American Justice Center

American Association of People with Disabilities

Campaign for Community Change

Center for Responsible Lending

Coalition on Human Needs

Communications Workers of America

Demos

Economic Policy Institute

Half in Ten

Japanese American Citizens League

Lawyers' Committee for Civil Rights Under Law

National Association for the Advancement of Colored People

National Congress of American Indians

National Council of La Raza

National Partnership for Women and Families

Policy Link

Service Employees International Union

The Leadership Conference on Civil and Human Rights

United Methodist Church, General Board of Church and Society

United Methodist Episcopal Churches

United States Student Association

United Steelworkers

USAction