

## **USA Works! Dispatch**

### **Budget and Appropriations News from the Capitol- March 17, 2010**

#### Still No Clear Path for Summer Youth Funding

Once the health care debate is settled in Congress (current expectations are that both the House and the Senate will complete action before the two week recess that begins on March 29), expect a jobs agenda to dominate the remainder of the legislative session. Yet, despite a number of jobs bills emerging, rare agreement by both parties that more job creation is vital to the nation's economic recovery, and the overwhelming success of last year's summer youth program, USA Works! is still encountering skepticism in Congress that there will be a 2010 summer youth program.

As USA Works! has been covering in the Dispatch, there are a number of "jobs bills" floating around in Congress. The December 2009 House passed jobs bills contained \$500 million for youth summer employment programs and \$750 million for worker training grants in high growth industries. Surprisingly though, the House passed Jobs bill is not part of the current jobs debate.

A number of jobs bills have emerged in the Senate. Originally, Democratic Senators Durbin (D-IL) and Dorgan (D-ND) assumed leadership on crafting the Democratic bill and it was widely believed that summer youth funding and perhaps additional funding for dislocated workers would be included. Very quickly Senate Democratic leadership shelved their big proposal. Substituting an \$85 billion bipartisan bill exclusively involving tax extenders and other provisions under the jurisdiction of the Senate Finance Committee.

The compromise \$85 billion jobs bill was then whittled down to just a \$15 billion package, the Hiring Incentives to Restore Employment (HIRE) Act. The HIRE Act, or H.R. 2847, has moved between the Chambers several times since December as lawmakers sought to trim the original cost and create offsets. Earlier today, the Senate passed a further modified version of the HIRE Act by a vote of 68 to 29. The \$17.6 billion measure, that began in the House (and included \$500 million for summer youth originally, as mentioned above), includes the Build America Bonds Program, expensing rules for small businesses, a payroll tax break for businesses hiring unemployed workers, and extensions of programs funded by the Highway Trust Fund. (For your information, the House also moved on jobs related legislation today, passing by voice vote H.R. 4851, another short term extension of health insurance subsidies and expanded unemployment benefits for the unemployed.)

The current expectation is that the Senate will soon turn its attention to the larger \$85 billion jobs bill and then perhaps attempt to tackle another jobs bill that would contain a summer youth program. This week, key Democratic Senate Appropriators told USA Works! that they are "absolutely uncertain" if, or when, the larger bill would be considered.

Two major hurdles are apparent for the passage of any jobs package: with pay-as-you-go provisions in place any appropriations bills will have to be paid for, and just as important, any lasting impact the rancorous health care debate may have on congress's ability to pass any substantial legislation over the remainder of the year. As always, USA Works! will work to keep its members updated as the legislative agenda moves forward.