

## Jobs for Economic Recovery Act of 2021

Around 20 million people are currently unemployed. As this public health and economic crisis continues, it is clear that even when it is safe to go back to work, millions of workers will not return to the jobs they had before. Getting back to work will be especially challenging for workers who face significant barriers to labor market entry, such as former foster youth, individuals who were formerly incarcerated, those who lack access to quality affordable child care, and the long-term unemployed.

The Jobs for Economic Recovery Act would provide federal funding for subsidized employment programs, which are a proven tool to help connect individuals struggling to find work with jobs that need to be filled. By offsetting labor costs, these programs can also help employers—both public and private—create new jobs by hiring workers that the employer would not otherwise consider for employment, for new positions that would not otherwise exist. The bill also allows funds to be used for on-the-job training, creating a fresh new path for employers to find and train workers for hard-to-fill positions, enabling them to play a greater role in the workforce development system. At the same time, these programs would allow workers to find new opportunities that will lead to long-term employment. As we recover from the current crisis, programs funded by the Jobs for Economic Recovery Act could be used to fill in-demand positions in the public health sector like contact tracers or to create jobs working on critical infrastructure projects.

### How the Jobs for Economic Recovery Act Works

The Jobs for Economic Recovery Act creates a new Social Security Act jobs program to pay for eligible individuals to receive six months of wages and benefits for public, private sector, or nonprofit jobs. Funds from this program can also be used for job training and wraparound services (such as child care) to help participants succeed in the labor market upon completion of their job placement.

In the short-term, the Jobs for Economic Recovery Act will provide an immediate source of funding for states, tribes and local governments to create or expand employment programs to get people back to work. Until 2023, the federal government would cover 100 percent of the costs of these programs, allowing states to stand up programs quickly to get people back to work. The bill also authorizes grants to nonprofit organizations to support similar jobs programs and provides funding for technical assistance and planning.

Looking ahead, the Jobs for Economic Recovery Act will require programs to meet new criteria and rely on logic-based practices to continue receiving funding starting in 2023. Phasing in the requirements ensures that states, tribes, and localities have the flexibility they need to set up programs quickly to respond to the current crisis while also setting a clear path toward having stronger, evidence-based programs moving forward. This program would fund state employment programs at a matching rate determined by the state's Federal Medical Assistance Percentages (FMAP) rate and economic conditions, with a matching rate of 100 percent when unemployment is high. By ensuring funding for employment programs remains available into the future, the Jobs for Economic Recovery Act will prevent these programs from disappearing like they largely did after the Great Recession and allow them to continue to provide necessary employment support as the job market improves.

The Jobs for Economic Recovery Act also creates a tax credit based on the Work Opportunity Tax Credit for employers who retain workers hired through the program for 24 months.

The Jobs for Economic Recovery Act includes ideas from Senator Wyden's ELEVATE Act, Senator Baldwin's Stronger Way Act, and Senator Van Hollen's Long-Term Unemployment Elimination Act to create a new, robust employment program to meet the needs of both workers and employers and help the economy recover from the damage done by the pandemic.