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NEWS RELEASE

For Immediate Release:

Updated: Tuesday, September 7, 2010

Contact:

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Clarification: We have updated this press release to reflect the fact that the subsidized jobs program originally placed five paid interns with Permac Industries. The press release originally stated that Permac Industries hired them as employees.

MINNESOTA SUBSIDIZED JOBS PROGRAM WILL BE SCALED BACK IF U.S. SENATE FAILS TO EXTEND TANF EMERGENCY FUND

Local Business Owner, Employee, Speak to Importance of Program

Minnesota will have to scale back a subsidized transitional jobs program that it has expanded significantly during the recession unless Congress this fall extends the TANF Emergency Fund, the federal program that helped to fund the state expansion, according to a new report from the Center on Budget and Policy Priorities. The jobs program, which is operated through the counties, has more than doubled its placements statewide, from 627 to 1,498 per quarter, since the creation of the Emergency Fund.

Most of the job placements are with private-sector businesses and non-profits and some have led to permanent, unsubsidized jobs. The program is designed to provide individuals with limited work experience and the bleakest employment prospects a leg up in this difficult job market. All participants are low-income parents, many of them with young children.

One of the workers who has benefited from the program is Royal Bissonette, a single father who had been seeking work for several years before participating in a short-term subsidized position at Books for Africa, a nonprofit in St. Paul. Based on positive reviews from his manager, Bissonette was offered another subsidized position at Permac Industries, a precision manufacturing company in Burnsville.

Through participation in the subsidized transitional work program, Bissonette gained valuable job skills, paving the way to a more permanent position at Permac Industries.

“The subsidized jobs program has provided us with a wonderful way to identify dedicated and dependable workers like Royal,” said Permac Industries President Darlene Miller. The subsidized jobs program placed five paid interns at Permac Industries, expanding Miller’s business while training candidates for unsubsidized positions. These interns, in turn, are developing the experience needed to increase their financial independence.

“This program has helped me reach my goals,” said Bissonette. “I’m working hard to provide a loving, safe, and stable environment for my family.” Just this past Tuesday, Bissonette completed his transition off of public assistance.

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Without additional funding, employers like Permac Industries will lose the support that has made hiring workers like Bissonette possible in the midst of a difficult economic climate.

Effective Job-Creation Program Set to End September 30 Unless Congress Acts

President Obama and Congress created the federal TANF Emergency Fund that pays for the subsidized employment program as part of last year's Recovery Act. But, it is set to expire on September 30 unless Congress extends it. Minnesota will continue its program, but with fewer resources available will have to significantly scale back the number of people it can serve in the program.

"This program provides people who are struggling to find employment on their own with an opportunity to learn new skills and to demonstrate their ability to be a great employee," said Barb Dahl, Division Director at HIRED, an employment services agency that operates the program across the Twin Cities metro areas. "The program is needed now more than ever."

At 6.8 percent, Minnesota's unemployment rate is below the national average, but it has not improved in the last few months and another bleak monthly national employment report is due out tomorrow from the U.S. Department of Labor.

"It makes no sense to shut down an effective jobs program and put more people out of work right now," said LaDonna Pavetti co-author of the report. "It's the *opposite* of what the country needs: jobs will evaporate, unemployed mothers and fathers will struggle to make ends meet, and it will add more strain to the already fragile economic recovery."

Congress Can Extend Program, Save Tens of Thousands of Jobs Nationwide

The House has voted twice to extend the Fund, which has placed an estimated 250,000 low-income parents and youth in subsidized private- or public-sector jobs nationwide. But, the Senate has yet to act. The costs of the House extensions were fully offset and would not add to the deficit.

The Emergency Fund was included in last year's Recovery Act with the purpose of providing states with extra resources to meet the increased need for assistance during a recession. The Fund gives states the ability to put money in the hands of people who will spend it, which helps lessen the damage that the recession would have otherwise done to the economy and especially to vulnerable populations.

Thirty-seven states operate subsidized employment programs using these funds. Yet many of the programs — including most of the largest ones — will have to close their doors on September 30 if Congress doesn't extend the fund; others plan to greatly scale back operations.

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Note to reporters: Please contact Shannon Spillane, Center on Budget and Policy Priorities to schedule interviews with program participant Royal Bissonette and/or his employer Permac Industries.

The full report, featuring state-by-state data, is available at:
<http://www.cbpp.org/cms/index.cfm?fa=view&id=3274>.

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.
