

THE NETWORKER

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There are several federal programs and tax credits designed to assist families in achieving self-sufficiency. In time of recession, such as now, these programs provide a vital safety net to families who are experiencing unemployment or lowered wages. However, many families are unaware of the benefits that are available to them or have trouble accessing program benefits due to policy barriers.

The Duke Energy Foundation is generously funding the IIFW with a grant for \$20,000 to develop policy briefs to promote economic self-sufficiency among Indiana's low-income workers. As the recession continues to wear on and Hoosier families continue to struggle, the need to share data and information with policymakers, stakeholders, and community organizations becomes even more important. The support from the Duke Energy Foundation will allow the IIFW to meet this need.

Additionally, the IIFW received \$12,000 from The Indianapolis Foundation, a CICF affiliate to develop a new update to the Self-Sufficiency Calculator (Calculator). This funding announcement comes after the release of the 4th edition of the *Sufficiency Standard for Indiana (Standard)* report in the fall of 2009, which was funded by the Richard M. Fairbanks Foundation, Inc. and The Indianapolis Foundation, a CICF affiliate.

The Calculator, as with the report, will contain an hourly, monthly, and annual self-sufficient wage for 70 family types in all of Indiana's 92 counties. The Self-Sufficiency Standard is a valuable tool that is used in a variety of ways across the country, from counseling job seekers and students, to assessing public policies, and targeting resources. In addition to information from the Standard, the grant from CICF will allow us to

expand its functions to include jobs that pay self-sufficient wages and the education and training required to obtain those jobs. Making this expanded calculator and information available online will only enhance the opportunities for job seekers, working Hoosiers and policymakers to learn about self-sufficient wages and what jobs pay those wages in Indiana.

For more information about the Institute, visit our website at www.incap.org/iiwf.html
[Indiana Institute for Working Families announces Funding from Duke Energy Foundation](#) - Press Release, 6-8-2010 – PDF

[Indiana Institute for Working Families announces Funding from the Indianapolis Foundation, a CICF Affiliate](#) - Press Release, 6-15-2010 – PDF

Access our *Sufficiency Standard for Indiana* at [The Self-Sufficiency Standard for Indiana 2009](#) (PDF format)



The Truth about the November Property Tax Caps

The Indiana Institute for Working Families (Institute) is working to educate voters regarding November's Ballot Referendum on amending the Indiana State Constitution to cap Indiana's property taxes. In 2008, the Indiana General Assembly passed property tax reforms that capped the property taxes that individuals and businesses will have to pay on their property. As a result, homesteads are now capped at 1 percent of the assessed value, commercial properties are capped at 2 percent and other property is capped at 3 percent. In the 2008 and 2010 General Assembly session, the legislature voted to make the reform permanent by making it part of the Indiana Constitution.

The Institute published, *The Truth about the November Property Tax Cap Vote*, a "myth v. fact" sheet to inform voters about the impact of these tax caps. The Institute plans to provide more educational information in the coming months to help voters fully understand the issue prior to the ballot referendum in November.

You can access "The Truth about the November Property Tax Cap Vote," at:
<http://www.incap.org/documents/iiwf/2010/FINAL%20Property%20tax%20myth%20verus%20fact%20sheet.pdf>

Watch for additional information related to the tax cap vote at the Institute's website:

www.incap.org/iiwf.html

To see the arguments of both a "pro-tax caps" group and an "anti-tax caps" group, you can go to the following Facebook pages:

<http://www.facebook.com/votetocapthetax>

<http://www.facebook.com/#!/pages/NO-Property-Tax-Caps-in-the-Indiana-Constitution/113175895388768?ref=ts>

An update on The American Jobs and Closing Tax Loopholes Act of 2010 (H.R. 4213)

Before Congress left on its Memorial Day recess, the American Jobs and Closing Tax Loopholes Act of 2010 (commonly known as the "Extender's Bill") was not enacted. As a result, Unemployment Insurance benefits expired on June 2, 2010 and COBRA benefits expired on May 31, 2010. Congress returned from its recess this week and this issue is likely to be their top priority. While the House of Representatives passed their version of the bill prior to the recess, the Senate must now take up the issue and afterwards the two pieces of legislation will be reconciled.

The American Jobs and Closing Tax Loopholes Act of 2010 (HR 4213), includes an extension of Unemployment Insurance (UI) benefits through November 30, 2010. The bill also includes Medicare payments to doctors for 19 months, an extension of the Temporary Assistance for Needy Families (TANF) emergency fund through September 30, 2011, and funding for summer youth employment programs. The TANF emergency fund, expected to create 185,000 temporary jobs will expire on September 30, 2010 without an extension. In addition, the summer jobs program, which was responsible for putting over 300,000 youth to work in 2009, will not receive funding in 2010.

An earlier version of the House bill had included an expansion of COBRA health insurance subsidies for jobless workers and Medicaid assistance to states. Both of these provisions were eliminated in the final bill. The Senate is now charged with extending unemployment insurance benefits through November and restoring health care benefits for an estimated 2,745 Indiana workers who will otherwise be dropped each month by the House measure.

Most of the spending provisions in the House bill are considered emergency spending and do not have to be paid for under Congress's budget procedures. However, the bill also includes provisions extending several temporary tax breaks that are vital to many businesses. These provisions are often called the "tax extenders" and the costs of these tax extenders are offset with other provisions in the bill that close unfair tax loopholes.

One loophole-closing provision that is of particular concern in the Senate is for the "Carried Interest" loophole. Carried interest is part of the compensation paid to investment fund managers for their services and this loophole allows them to disguise that compensation as capital gains, which is taxed at a lower rate. People who invest money are not affected at all by this loophole or its elimination. It is important that all tax loophole closures remain in the Senate version.

The Senate version as of June 17, 2010, preserves the TANF Emergency Funds, the FMAP provisions, Youth Summer Jobs funding, and while extended the Unemployment Insurance (UI) benefits, it did scale back from the UI benefits in the version passed by the House, by removing the extra \$25 of benefits per week that UI recipients were receiving.

To keep updated on the status of the bill visit our website:

- [Indiana's Economic Recovery Depends on Extensions When Congress Reconvenes Next Week](#) - Press Release, 6-4-2010 – PDF.
- [House Expected to Vote on UI, COBRA, TANF Emergency Fund Extensions This Week!](#) - Action Alert, 5-24-2010- PDF.
- [Senate Expected to Take Up the Extenders Bill This Week!](#) - Action Alert, June 14, 2010- PDF.

The Congressional Budget Office Report Finds That the American Recovery and Reinvestment Act (ARRA), has Preserved or Created up to 2.8 million Jobs

The Center on Budget and Policy Priorities (CBPP) issued a release on May 26, 2010 explaining the findings of a new Congressional Budget Office (CBO) report regarding the American Recovery and Reinvestment Act of 2009 and job creation.

The CBO report finds that the American Recovery and Reinvestment Act of 2009 (ARRA) has preserved or created between 1.2 million and 2.8 million more jobs as of March. The ARRA has also increased the number of hours worked. The combination of increased hours and the increased number of jobs, adds to the number of full-time equivalent jobs. This raises the estimate to between 1.8 to 4.1 million jobs.

Recipients of ARRA grants, loans, and contracts reported that ARRA funds preserved or created 682,000 full time equivalent jobs as of the first quarter of 2010. However, the CBO report clarifies that the recipient reports “do not provide a comprehensive estimate of ARRA’s impact on employment in America.” The CBPP release states that these recipient reports did not include some of the more effective job-creating provisions, such as support for Medicaid and work supports. In addition, the recipient reports do not include jobs that are generated indirectly by increasing overall economic activity. The CBO report addresses the limitations of the recipient reports to estimate ARRA’s true impact on employment.

Moving forward, the CBO reports that ARRA will continue to protect and create jobs, peaking sometime this fall, when there will be 1.4 million to 3.7 million more jobs. When including the increased hours worked thanks to the ARRA, full-time equivalent job numbers could rise to 5.3 million jobs in the fall.

For more information on ARRA programs being implemented by INCAA and Indiana’s CAAs visit: <http://incaastimulus.org/>.

To read more about the Center on Budget and Policy Priorities Analysis of ARRA, visit: <http://www.cbpp.org/research/index.cfm?fa=topic&id=28>.

To read the Congressional Budget Office’s (CBO) report on the estimated number of jobs created by the ARRA, visit the following CBO blog post: <http://cboblog.cbo.gov/?p=967>. For a direct link to the report, click here: <http://www.cbo.gov/doc.cfm?index=11525&type=1>.

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