



## **CPPP CALLS ON TEXAS STATE OFFICIALS TO TARGET FEDERAL RECOVERY ACT FUNDS TO THOSE HURT MOST BY RECESSION**

Openness and accountability should also guide new spending

Austin, Texas—With more than \$16 billion in federal recovery spending coming to Texas through state agencies, the Center for Public Policy Priorities urged state policymakers to invest in programs that will give struggling low-income families and unemployed workers new opportunities to succeed economically.

CPPP also called on the state to ensure that recovery money helps stabilize the economy and benefits those hurt most by the recession. Spending should be done openly, efficiently and with accountability.

“The latest information from the Dallas Federal Reserve shows that Texas joined the rest of the nation in recession last year. The Austin area alone lost almost 13,000 jobs just in January. We need to make sure we don’t leave federal funds for our public structures on the table this legislative session, and we need to make we spend those dollars on helping those that need it most. At the same time, we need to spend those funds in an efficient manner through processes that let the public monitor the effect of the recovery funds,” CPPP Executive Director Scott McCown said.

CPPP calls on state leaders to embrace the ideas presented in a newly released document, *Principles for State Implementation* (attached), developed by the national Working Poor Families Project and endorsed by 20 national nonprofit organizations. The principles call for states to direct recovery funds to:

- Create jobs that pay a family-supporting wage and provide critical benefits such as health insurance.
- Ensure a portion of jobs created go to people with low skills and low incomes to give them a chance to advance economically.
- Invest in infrastructure projects in distressed communities often overlooked in public works decisions and ensure that residents of those communities are given a chance to work on the projects.
- Support training programs for low-skilled workers, who are far more likely to be out of work in this recession. These programs should be carefully linked to high-growth sectors of the economy.

“The Recovery Act gives the state an opportunity to create pathways for low-skill workers to move ahead. By assuring a portion of the jobs and training are linked with new health care, green industry and infrastructure investments we can rejuvenate all areas of the economy and build a stronger workforce,” McCown said.

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The principles also call for states to ensure efficiency and accountability by:

- Allocating spending to meet specific goals, including job creation and preservation.
- Using a competitive process in awarding contracts to increase fairness, avoid cronyism, and maximize choice.
- Requiring contractors and agencies to report regularly on how the stimulus funds are being spent and measuring their progress in achieving specific goals.
- Closely coordinating spending among state and local agencies to ensure efficiency.
- Adjusting state policies to take advantage of all federal stimulus funds, including expanded aid for unemployed workers; increasing outreach to ensure eligible Texans receive federal benefits such as child care and food stamps.

**CPPP recently published recommendations for taking full advantage of the federal recovery package, available online at: <http://www.cppp.org/files/6/371ARRAhearingalert.pdf> (.PDF file, 58 KB).**

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. See [www.cppp.org](http://www.cppp.org) for more information. CPPP is affiliated with the Working Poor Families Project, a national initiative to improve state policies to benefit low-income workers and their families.

The Principles for State Implementation were developed by the Working Poor Families Project and have been endorsed by 20 national nonprofit groups concerned about the effective implementation of the federal Recovery and Reinvestment Act.

For more information on the Working Poor Families Project, its Principles for State Implementation, and a list of organizations endorsing the principles, go to [www.workingpoorfamilies.org](http://www.workingpoorfamilies.org).

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