

A call for guiding principles on stimulus spending

By Ron Gilbert

Alabama will receive \$3.1 billion in the next two years through the American Recovery and Reinvestment Act of 2009, according to Legislative Fiscal Office estimates. This money is desperately needed to spur economic recovery and get our residents back to work. The state should move quickly to take advantage of all of the resources available in the stimulus package.

Gov. Bob Riley's office has announced that he will submit new spending plans to the Legislature when it returns from spring break and that the plans will incorporate recovery funds in both the Education Trust Fund and General Fund budgets. As state leaders move quickly to try to approve budgets before the legislative session ends in May, they will play a pivotal role in determining how to spend much of the recovery money.

All eyes will be watching to see if this money is invested wisely and fairly – generating and saving jobs while building shared economic opportunities for all – or if it is spent with too little accountability and too few results.

Over the next two years, the Recovery Act is expected to create or preserve 51,000 jobs in Alabama, according to the Council of Economic Advisers. With the right policy and program choices, we can bolster our economy and at the same time prepare our workers for longer-term progress.

Policymakers must make sure these new jobs are *good* jobs, ones that pay a family-supporting wage and provide critical benefits such as health insurance. This is a particularly important goal as we allocate spending on infrastructure and energy efficiency projects.

The state also must ensure that a portion of the new jobs created are available to workers with low skills and incomes, as well as to women and minorities. This means targeting resources to the people and communities most in need and setting standards for the hiring and training of state residents. The federal funding provides significant resources for skills development, which is critically important. Workers with higher skills will be better able to support their families. And a stronger workforce will help Alabama maintain its economic competitiveness.

Though economic recovery and job growth are top goals, state policymakers also must take immediate action to address the problems generated by job losses, home foreclosures and other issues. This means taking advantage of stimulus resources that extend and expand unemployment insurance, health care, child care, food assistance and other family services.

The governor and Legislature must work together so that all Recovery Act funds are spent efficiently, wisely and accountably. This means setting up fair processes to allocate resources, select projects, and monitor and report on progress. Citizens and advocates for low-income working families also have a role to play in overseeing and assessing how effectively the state invests its resources.

Arise Citizens' Policy Project is affiliated with the Working Poor Families Project, a national initiative to improve state policies to benefit low-income workers and their families. These ideas for guiding the state's implementation of the American Recovery and Reinvestment Act are found in a newly released document, "Principles for State Implementation," developed by the national Working Poor Families Project and endorsed by 20 other national organizations concerned about effective implementation of the Recovery Act.

We call on our state leaders to embrace and apply the Principles for State Implementation as they take action to address the serious problems confronting Alabama. We all share the responsibility of generating the quickest and strongest economic recovery possible. But we need our leaders, now more than ever, to ensure these resources are spent wisely and effectively, while bringing benefits to those most in need.

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