



Special Report

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November 23, 2009

Available Online: dpc.senate.gov

The Recovery Act: Creating Jobs and Making a Difference in Kansas

Earlier this year, the Democratic Congress worked with President Obama to enact the *American Recovery and Reinvestment Act* (the *Recovery Act*) in an effort to rescue, rebuild, and strengthen our struggling national economy. Eight years of failed fiscal policies and misguided economic priorities had left our national economy on the brink of disaster, and now – only nine months later – our economy is on the brink of recovery. The *Recovery Act* and the efforts of American businesses and workers, like those in Kansas, made this progress possible.

Despite this encouraging news, Democrats know that many Kansans are still struggling, and unemployment – a lagging economic indicator – remains far too high. In response, Democrats are working to create and save millions of jobs with *Recovery Act* dollars and tax relief. Already, with more than half of the dollars yet to be spent, the recovery package has provided for more than one million jobs and the rate of job loss has slowed significantly. As we look toward the future, Democrats believe that the *Recovery Act*, combined with the American work ethic and ingenuity, will continue to make a difference for families in Kansas and will deliver on its promise to rebuild our economy and get Kansans back to work.

The Recovery Act is Creating Jobs and Making a Difference

Last week, the White House announced that certain recipients of *Recovery Act* funds have reported the creation of 640,329 direct jobs. About 325,000 of these jobs are in education and over 80,000 are in construction. These numbers, however, represent only about 16 percent of expenditures through September 30 and do not reflect the majority of *Recovery Act* funding to date, which has gone directly to individuals and states, including:

- Tax relief for businesses and working families;
- Small business loans, which are exempt from reporting;
- The first-time homebuyer tax credit;
- Direct federal aid, including \$250 direct stimulus checks, enhanced unemployment benefits, increased food stamp benefits for vulnerable families; and
- State fiscal relief, which prevented job cuts at the state and local government level.

Moreover, the reported data does not capture indirect or induced jobs created when prime contractors hire suppliers or other companies to complete projects or when newly employed workers spend their pay checks. It is estimated that, if included, indirect jobs would add

another 50 percent or more to the direct jobs numbers and induced jobs would add an additional 36 percent. [Office of the Vice President, [10/30/09](#); CBPP, [10/28/09](#)]

Taken as a whole, the reported data confirms earlier estimates that the *Recovery Act* would create or save over one million jobs by now, even though less than half of the *Recovery Act* funds have been put to work. [Office of the Vice President, [10/30/09](#)]

Moreover, without the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse.

- According to Congressional Budget Office (CBO) projections, “The effect of the stimulus legislation on the level of economic activity will probably build during the second half of 2009 [and] have its maximum impact in the first half of 2010... CBO estimates that real GDP will be 1.4 percent to 3.8 percent higher in the fourth quarter of 2009 than it would have been without the stimulus, 1.1 percent to 3.4 percent higher in the fourth quarter of 2010, 0.4 percent to 1.2 percent higher in the fourth quarter of 2011, and zero to 0.3 percent higher by the fourth quarter of 2013.” [CBO, [8/09](#)]
- These estimates were bolstered by third quarter growth when, for the first time in more than a year, the economy expanded, and, at 3.5 percent, it expanded faster than expected. [*Wall Street Journal*, [10/29/09](#)]
- According to economist Mark Zandi, “The research of Moody’s Economy.com suggests that a million fewer jobs would exist today, while the unemployment rate would already have risen well into double digits.” [Testimony before the Joint Economic Committee, [10/29/09](#)]

The Recovery Act is Creating Jobs and Making a Difference in Kansas

In Kansas, this partial reporting indicates that 5,935 jobs have been created or saved by funding 611 awards worth \$1,313,579,642, of which \$452,913,929 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)]

Similar to the national number, this validates the White House’s earlier estimates that the *Recovery Act* is responsible for saving or creating 9,100 jobs so far for Kansans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Kansas is on track to benefit from a total of 33,000 *Recovery Act* jobs.** [The White House, [2/2009](#)]

These numbers alone cannot adequately convey the human impact of the jobs that are supported by the *Recovery Act* – the real-life stories of local companies that can hire new employees, workers who are no longer faced with uncertainty, and families that no longer need to struggle to pay their bills. The following is a sampling of some of the local *Recovery Act* success stories in Kansas:

\$34 million *Recovery Act*-funded program will encourage energy efficiency upgrades on homes. “Kansas Gov. Mark Parkinson is launching a \$34 million loan program that encourages Kansans to make their homes more energy efficient... The loan program is financed with federal stimulus dollars. The program will allow Kansans to borrow money from either a bank or utility to make home improvements. Participants will be required to have an energy audit performed on their homes and to make what the audit finds are the most cost-

effective improvements. KCC spokeswoman Abbie Hodgson said Kansans would repay the loans with the savings on their monthly utility bills.” [Associated Press, 11/17/09]

Kansas officials are set to launch a *Recovery Act*-funded program that will make low-cost loans to homeowners and small businesses for energy efficiency improvements. “Kansas officials are preparing to launch an energy efficiency loan program financed with federal stimulus dollars. The State Energy Office will administer the program, which will use \$34 million in federal funds to make low-cost loans to homeowners and small businesses. The loans are to be used to make energy efficiency improvements. Gov. Mark Parkinson plans to visit a Topeka home on Tuesday to demonstrate ways to cut energy use. State Treasurer Dennis McKinney will make a similar announcement at a Wichita home.” [Associated Press, 11/13/09]

Kansas will use *Recovery Act*-funded grant to create green jobs, assist government energy managers, and install alternative fuel-powered generators. “Under DOE’s Energy Efficiency and Conservation Block Grant (EECBG) program, these states... will implement programs that lower energy use, reduce carbon pollution, and create green jobs locally... KANSAS - \$9,593,500 awarded. Kansas will use its Recovery Act EECBG funds to implement a range of energy efficiency and renewable energy initiatives in both the public and private sector, including building retrofits, direct incentives for renewable energy projects, and support for local government energy managers. These projects will reduce energy consumption, limit carbon pollution, and create hundreds of jobs statewide... The state will also encourage local communities to install alternative energy generating systems (wind, solar, fuel cell or bio-based), by offering competitive grants for up to 25 percent of the cost. These grants will leverage private sector investments and are expected to support more than \$11 million in new renewable energy projects.” [Department of Energy Release, 11/3/09]

***Recovery Act* funding will be used to hire researchers and bolster research efforts across the Lawrence and Kansas University campuses.** “With more than \$17 million in federal stimulus dollars committed to research at Kansas University, campus leaders are positioning to earn even more in the future. The money already committed is funding several projects across the Lawrence and KU Medical Center campuses, with dollars committed to fighting maladies from cancer to epilepsy and assisting with the measurement of polar ice sheets... The grants submitted go beyond just funding new research, and include some building renovation requests, including at least one for part of Haworth Hall, Warren said... The funding allowed him to hire three faculty members to the existing center for research, which involves four Kansas campuses. With those faculty members come new labs, and with the labs come new jobs for graduate students and investigators...‘That really accomplishes what President Obama wanted, in that we need to buy more supplies and hire more people to stimulate the economy now,’ Terranova said.” [Lawrence Journal-World, 10/19/09]

***Recovery Act* funds will help create a new position in Lawrence.** “[City] commissioners at their weekly meeting agreed to formally create the new position of Sustainability Coordinator. The new job will be shared with Douglas County, and will draw a salary of about \$60,000 per year, commissioners were told. The new employee will be responsible for helping the city and county figure out how to save energy, reduce the community’s carbon footprint and look at green issues like locally produced foods. The city will pay for the first \$100,000 worth of costs related to the program with a grant the city received as part of the federal stimulus program. After the grant money is exhausted, the county will pay for 60 percent of the position’s costs and the city will pay for 40 percent. One of the first jobs for the new position will be administering a project to improve energy efficiency of the lighting and

heating and air conditioning systems at the Lawrence Public Library, 707 Vt. That \$550,000 project also will be paid for with federal stimulus money.” [*Lawrence Journal*, Video, 10/14/09]

\$56 million in Recovery Act funding creates 48 jobs and boosts Kansas' home weatherization efforts. “Al Dorsey, Kansas Housing Resources Corporation director, said he was shocked to discover Kansas received \$56 million in federal stimulus dollars for its Weatherization Assistance Program. The KHRC's average yearly weatherization operating budget is about \$5 million. The dramatic increase in funds created more jobs in the state and allows more weatherization work to be done on more Kansans' homes that will generate even more in utilities savings. This can generate ‘serious savings’ on utility bills, Larry Bentley, KHRC weatherization program manager said, because more and better weatherization measures can be taken... The \$56 million will be spread out over three years, through March 31, 2012, and has helped create jobs. Bentley said 48 full-time employees have been added statewide, including six in Topeka, so the KHRC and the eight agencies can handle the greater operating demands of a larger budget. He said more positions will be added in an ongoing fashion. The program is prioritized to assist elderly persons, disabled persons, families with children and low-income households make their homes more efficient, which also helps the environment by decreasing energy consumption and CO2 emissions.” [*Topeka Capital-Journal*, 9/27/09]

Recovery Act saved over 1,000 public safety jobs, grant will retain 112 criminal justice workers, reduce furloughs for 1,484 workers. “State and local public safety programs have been hit hard by declining revenues and the national recession; but thanks to the American Recovery and Reinvestment Act, Kansas remains safe and secure as more than 1,000 public safety jobs are protected. ‘Public safety is a top priority for my administration, which is why during the last round of budget cuts our Department of Corrections was spared. However, state and local programs have had to cope with fewer resources and less flexibility,’ said Governor Parkinson. ‘With the justice grants contained in the Recovery Act, more than 1,000 public safety employees won’t have to be furloughed, and more than a hundred won’t be laid off. Not only is this stemming the rising tide of unemployment – it’s keeping the streets of Kansas safe.’ Twenty-seven state and local agencies will receive \$11,534,125 in Justice Assistance Grants during the next 24 months. The grant program supports communities in their efforts to hire and retain criminal justice personnel. The funds will create five full time positions and will help retain all or a portion of 112 existing positions. In addition, the grant funds will reduce anticipated furlough days for approximately 1,484 employees. The grant program will help maintain and strengthen resources for law enforcement, prosecution, and corrections programs.” [*Press Release – Governor Mark Parkinson*, 8/10/09]

During a visit to Topeka, Secretary Solis emphasized health care field training programs created by Recovery Act. “In a program U.S. Secretary of Labor Hilda Solis is touting during visits Tuesday to the Kansas City area, job training programs focusing on health care fields can compete for \$220 million in grant money to help further their mission... “An important part of our nation’s continued economic recovery is ensuring that workers have the necessary skills to enter high-growth industries,” Solis said in a release. “Health care continues to offer workers opportunities to enter career-track jobs, earn good wages and make a positive impact on the communities in which they live and work.” The money is available through the American Recovery and Reinvestment Act of 2009.” [*Kansas City Business Journal*, 7/21/09]

A Recovery Act-funded construction project at Salina airport is expected to create at least 850 aviation and aerospace jobs. “Construction is under way at the Salina airport on improvements funded partly with federal stimulus money. The work includes redeveloping the north ramp, which is part of the Salina Airport Authority's plan to provide additional services to a variety of aviation customers... Airport Authority executive director Tim Rogers

says expects the construction project to create at least 850 aviation and aerospace jobs with an annual payroll of more than \$21 million.” [Associated Press, 7/16/09]

Recovery Act -sponsored Salina airport ramp construction project anticipated to create 850 aviation and aerospace jobs. “The Salina Airport Authority July 13 began the first of a series of construction projects at Salina Municipal Airport. The process of redeveloping the north ramp area is part of a strategic plan to provide additional aeronautical services to a wide variety of general aviation and commercial aircraft operators, officials said... ‘It is estimated that the north ramp development project will create at least 850 new aviation and aerospace jobs,’ said Tim Rogers, A.A.E., airport authority executive director. ‘Those jobs would have an annual payroll exceeding \$21 million.’ The funding for this project is a result of the American Recovery and Reinvestment Act of 2009. FAA awarded a \$832,935 grant to the redevelopment of the north ramp area.” [Aviation News, 7/15/09]

The Community Health Center of Southeast Kansas has been given \$825,981 in Recovery Act financing for local health care reform, service enlargement, and hiring new personnel. “It could not have come at a better time,’ CHC/SEK chief executive officer Krista Postai said. ‘We were very financially stressed when we heard of this (grant)... Postai said grant funds will be used to help staff at the center see more uninsured patients, expand the center's services, hire more staff, and make some modifications to the facility to accommodate these changes.” [Fort Scott Tribune, 6/3/09]