



Special Report

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The Recovery Act: Creating Jobs and Making a Difference in New Mexico

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 New Mexico, made this progress possible.

Despite this encouraging news, Democrats know that many New Mexicans 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 New Mexico and will deliver on its promise to rebuild our economy and get New Mexicans 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 New Mexico

In New Mexico, this partial reporting indicates that 5,230 jobs have been created or saved by funding 617 awards worth \$1,616,081,094, of which \$268,181,713 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 5,300 jobs so far for New Mexicans. [Council of Economic Advisors, [9/2009](#)] **New Mexico is on track to benefit from a total of 22,000 *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 New Mexico:

***Recovery Act* funds will help expand Kirtland sewer project; the development will extend its reach by more than 25 percent.** “The San Juan County Commission on Tuesday gave preliminary approval to accept more than \$1 million in stimulus funds awarded to expand the Kirtland sewer project under development to connect the community with the city of Farmington waste treatment facilities... San Juan County had budgeted more than \$3 million in county, state and federal funds to begin the project that will run sewer lines through the Kirtland community and provide opportunities for area residents to connect to the public line and slow

the use of independent sewage systems. The additional \$1.35 million available exclusively for the wastewater project will allow the already planned development to extend its reach by more than 25 percent, County Executive Officer Keith Johns said... The wastewater project is designed to reduce the area's heavy reliance on private septic systems, many of which are poorly maintained and pose environmental hazards for area ground water supplies, according to the state Environment Department.” [[Farmington Daily Times](#), 11/4/09]

New Mexico will use *Recovery Act* funds to weatherize 2,300 homes. “In New Mexico, it is estimated that at least 2,300 homes will be weatherized every year for the next 3 years using the state's \$26 million ARRA WAP funds. Weatherization saves an average of 32% in gas space heating... WAP was awarded \$5 billion through the 2009 ARRA. To participate, homeowners must have a maximum income of 200% of the Federal Poverty Level, and can use up to \$6,500 for energy efficiency upgrades to their home.” [[PR Newswire](#), 10/30/09]

New Mexico will use *Recovery Act* funding for construction of Artisan at Sawmill Village; the project is expected to create 154 jobs. “U.S. Representative Martin Heinrich (NM-1) announced today that the New Mexico Mortgage Finance Authority (NMMFA) is receiving more than \$7.8 million to support construction of housing for low-income families in Albuquerque through the American Recovery and Reinvestment Act of 2009. The money from the U.S. Department of the Treasury will go toward the construction of Artisan at Sawmill Village, an affordable 60-unit, green housing complex in the heart of Albuquerque’s Old Town. Sixteen of the units will be set aside for tenants with special needs, including those with physical disabilities, individuals transitioning out of homelessness, and people with behavioral health issues. The project is expected to create 154 jobs... ‘At a time when too many families are struggling to stay afloat, this money from the Recovery Act will help put a roof over their heads and creates jobs in Albuquerque.’” [[House.gov Press Releases](#), 10/26/09]

Thanks to *Recovery Act* funding, 4,128 full-time jobs have been created in New Mexico and a total of 8,641 New Mexicans have been employed full- or part-time. “Gov. Bill Richardson released a status report on the progress of federal stimulus funds coming to New Mexico. The state filed its first quarterly report to the Recovery Accountability and Transparency Board as required under the American Recovery and Reinvestment Act. States were required to use a federal formula for job creation based on hours worked. That formula shows an equivalent of 4,128 full-time jobs in New Mexico. Richardson said a total of 8,641 New Mexicans have been employed full- or part-time as a result of spending nearly \$77 million in stimulus funds. The state is expected to receive \$3.2 billion via the Recovery Act over the next two years... About \$2.1 billion will flow through state government and the rest flows from the federal government to cities, towns and tribes, or will be spent directly by federal agencies in New Mexico... The Recovery Act provides for approximately \$500 million in tax relief to residents here over two years. Another estimated \$335 million in bond and loan authority could be tapped for infrastructure projects.” [[New Mexico Business Weekly](#), 10/12/09]

New Mexico will use *Recovery Act* funding to support clean energy education in schools, stimulate green energy jobs in local communities. “Gov. Bill Richardson is appropriating \$10 million in federal stimulus funds to develop solar photovoltaic systems at New Mexico schools. The money will be channeled through competitive grants for 15 to 20 schools statewide. Awardees can use it to purchase and install 100 kilowatt PV systems to help them save on electric bills, stimulate green energy jobs in local communities and support clean energy education, said Richardson in a news release. ‘Renewable energy initiatives at schools will stimulate local, high-wage energy jobs and get kids excited about the math and science they can see at work at their schools,’ Richardson said. ‘These tough economic times are also digging

into school budgets. Energy cost savings will go a long way to redirecting funds back to the classroom.” [*New Mexico Business Weekly*, 9/23/09]

Recovery Act allowed for Los Alamos National Laboratory to clean aging buildings and ensure environmental safety, creating about 200 jobs in the community. “Los Alamos National Laboratory has received \$212 million for environmental clean up activities under the American Recovery and Reinvestment Act. The funds will shore up environmental compliance efforts and the clean up of Cold War-era buildings slated for demolition, said George Rael, assistant manager for environmental operations at the National Nuclear Security Administration’s Los Alamos office. ‘The Recovery Act will help change the skyline of Los Alamos, while creating jobs in the community,’ Rael said in a news release ... The work is expected to save or create about 200 jobs.” [*New Mexico Business Weekly*, 7/22/09]

Constructors Inc. won a Recovery Act contract for production of salt storage facility at Waste Water Isolation Pilot Plant, prompting job creation. “U.S. Senators Jeff Bingaman and Tom Udall announced Tuesday that a Carlsbad company has been awarded a contract through the U.S. Department of Energy to perform work at the Waste Isolation Pilot Plant. Constructors Inc. has been awarded \$932,400 in American Recovery and Reinvestment Act funding to construct a new salt storage evaporation pond at WIPP. ‘I am pleased the recovery funding released today will be used for work at WIPP and benefit a local Carlsbad business,’ Bingaman said. ‘In this tough economic situation, I am pleased we are directing Recovery Act funding to create jobs by building important infrastructure like this salt storage evaporation pond at WIPP,’ said Udall. “This project will help continue to spur economic growth in the Carlsbad community.’ The Waste Isolation Pilot Plant is a U.S. Department of Energy facility designed to safely isolate defense-related transuranic waste from people and the environment. WIPP, which began waste disposal operations in 1999, is 26 miles outside of Carlsbad.” [*Press Release – Senator Jeff Bingaman*, 7/14/09]

Recovery-Act-funded road project in New Mexico enabled Tempe-based FNF Construction to keep staff on board. “Plans may spur new hires as it reconditions a stretch of U.S. 491 in New Mexico.” [*Phoenix Business Journal*, 6/4/09]

Northwestern New Mexico’s Ramah Navajo Chapter slated to be first Native American tribe to be a recipient of Recovery Act funding. Chapter will receive more than \$644,000 for road repair. [*Associated Press*, 5/26/09]

First Albuquerque Recovery Act projects set to begin. “People should start to feel the money, start to see the money being spent in construction here in the next eight weeks.” Projects include solar panels being added to parking structures and bus shelters. Outlets will also be added in the garages to charge up hybrids. [*KOB-NBC*, 5/26/09]

New Mexico will use Recovery Act funds to pay for construction of 22 water projects. [*New Mexico Business Weekly*, 5/20/09]

Recovery Act will help with economic development at the pueblos. Northwest New Mexico Council of Governments head: “The stimulus package will help with economic development at the pueblos and we’ve set up a new environmental planning committee to address uranium mining issues. There are legacy cleanup situations at the mines, mills and tailings sites.” [*Cibola Beacon*, 5/19/09]

Ramah Navajo will spend Recovery Act money on road repairs. Federally-recognized tribes are eligible for *Recovery Act* funding, based on highway projects’ estimated construction

costs, tribal population and the volume of traffic along the route. [[New Mexico Business Weekly](#), 5/19/09]

New Mexico's energy program is getting *Recovery Act* funds to retrofit traffic and pedestrian lights to use energy-efficient LED bulbs. "Gov. Bill Richardson's office says older, incandescent bulbs will be replaced with LED bulbs, which use significantly less electricity. Richardson says the documented savings from switching to LED bulbs at a traffic intersection is at least 80% compared to incandescent bulbs. He says communities will see an immediate reduction in their electric bills." [[Associated Press](#), 5/14/09]

University of New Mexico among four universities across the country will fund global health studies using *Recovery Act* funds. "The money, made possible by the Recovery Act, will preserve and create U.S. jobs in the timely and competitive arena of global health research." [[NIH News](#), 5/12/09]

***Recovery Act* funds will be used to repair a road that is currently littered with potholes and severe cracks.** "The city of Bloomfield will begin a pair of road construction projects during the summer months with funding it received through the American Recovery and Reinvestment Act. Improvements to West Maple and Third Street will benefit city residents and especially the school district." [[The Daily Times](#), 5/10/09]